

Boone County School District

**Financial Statements
With Supplementary Information
Year Ended June 30, 2023
With Independent Auditors' Report**

BOONE COUNTY SCHOOL DISTRICT

June 30, 2023

Table of Contents

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

BOONE COUNTY SCHOOL DISTRICT

June 30, 2023

Table of Contents (Continued)

Required Supplementary Information and Other Information:

Combining Statements – Nonmajor Funds:

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

BOONE COUNTY SCHOOL DISTRICT

June 30, 2023

Table of Contents (Continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – LIF	68
Schedule of District Contributions – LIF	69
Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF	70
Schedule of District Contributions – MIF	71
Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF (CERS)	72
Schedule of District Contributions – MIF (CERS)	73
Schedule of Expenditures of Federal Awards	74-75
Notes to the Schedule of Expenditures of Federal Awards	76
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77-78
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	79-80
Schedule of Findings and Questioned Costs	81-82
Schedule of Prior Year Findings and Questioned Costs	83
Management Letter Comments	84-92

Independent Auditors' Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boone County School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Boone County School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boone County School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

**Independent Auditors' Report
(Continued)**

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on pages 4-8, 51-53, and 64-73 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Independent Auditors' Report
(Continued)**

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boone County School District's basic financial statements. The information on pages 49-50, 54, 55-62, and 74-76 as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The information on pages 49-50, 54, 55-62, and 74-76 as listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 49-50, 54, 55-62, and 74-76 as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 on our consideration of the Boone County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boone County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Boone County School District's internal control over financial reporting and compliance.

Change In Accounting Principle

As discussed in Note 18 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 96, Subscription-Based Information Technology Arrangements, effective as of July 1, 2022. Our opinion is not modified with respect to this matter.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
November 14, 2023

BOONE COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2023

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

FINANCIAL HIGHLIGHTS

Boone County Schools' student enrollment was 20,417 students in the 2022-23 fiscal year. These students are housed in 26 schools including 4 high schools and a STEAM school conducting secondary level programs, 6 middle schools and 15 elementary schools.

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

The General Fund recognized \$184 million in revenue consisting primarily of local property, occupational license, utilities, and motor vehicle taxes and the state program (SEEK) allocation. An additional \$72.9 million representing payments made on the District's behalf, by the State, for teachers' retirement contribution and employees' health insurance was recognized as revenue. The following shows recent trends in general fund revenues on a per pupil basis (adjusted average daily attendance). Current year's revenues show an increase in the amount collected.

2022-2023	\$9,906
2021-2022	\$8,816
2020-2021	\$8,409

The District administered over \$15 million in Federal, State and local grants and other programs during the year. An additional \$10 million was administered in the Child Nutrition programs.

The state's guaranteed base level of support (SEEK) was \$4,000 per pupil. Funding for Boone County Schools, after adjustments and local effort, was adjusted to \$2,644 per pupil. Per pupil funding is based on prior year adjusted average daily attendance factored with a current year growth rate. The comparative statewide average was \$4,059.

Boone County Board of Education recognized \$12.2 million in utility taxes and \$19.4 million in occupational license taxes, indicative of a relatively stable economy in Boone County. These permissive taxes account for 17% of general fund revenues providing some relief in the funding gap created by the state's funding formula. Without permissive tax revenues, the Boone County Board of Education would face severe funding deficits, further reducing the per pupil expenditures to a level lowest in the state.

General Fund expenditures were \$244.8 million. Salaries and related costs total \$218.7 million of the general operating expenditures. Included in this amount is \$72.9 million in retirement contributions and insurance benefits paid by the state on the District's behalf.

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

BOONE COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2023 (Continued)

FINANCIAL HIGHLIGHTS (CONTINUED)

As of the year ended June 30, 2023, the Boone County Board of Education sustained a stable financial status attributed to conservative spending practices. It is evident the Board has effectively and efficiently managed the resources and at the same time continues to make progress toward education proficiency.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

The district-wide financial statements can be found on pages 9 and 10 of this report.

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

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

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

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$136,964,059 as of June 30, 2023.

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

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

Net Position for the years ended June 30, 2023 and 2022

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

	<u>2023</u>	<u>2022</u>
Current assets	\$ 120,269,643	\$ 105,392,648
Noncurrent assets	<u>350,805,455</u>	<u>347,349,169</u>
Total assets	<u>471,075,098</u>	<u>452,741,817</u>
Deferred outflows	<u>71,603,939</u>	<u>47,543,629</u>
Current liabilities	28,373,309	26,973,788
Noncurrent liabilities	<u>328,520,515</u>	<u>317,799,211</u>
Total liabilities	<u>356,893,824</u>	<u>344,772,999</u>
Deferred inflows	<u>48,785,594</u>	<u>51,843,089</u>
Net position		
Investment in capital assets (net of debt)	171,809,485	151,122,933
Restricted	(82,765,619)	(84,201,049)
Unrestricted	<u>47,955,753</u>	<u>36,747,474</u>
Total net position	<u>\$ 136,999,619</u>	<u>\$ 103,669,358</u>

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Comments on General Fund Budget Comparisons

- The District's total revenues in the General Fund for the fiscal year ended June 30, 2023, were \$255,911,820, net of inter-fund transfers and sale of assets, of \$876,734 and \$43,660, respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$28,957,341 more than budget or approximately 12.71% of General Fund Budget.
- General Fund actual expenditures were \$242,194,264, net of inter-fund transfers of \$2,607,591.
- General Fund actual expenditures were less than budgeted expenditures by \$17,422,596.

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues		
Charges for services	\$ 3,323,032	\$ 1,583,489
Operating grants	34,764,884	38,113,038
Capital grants	<u>4,763,200</u>	<u>-</u>
Total grant revenues	<u>42,851,116</u>	<u>39,696,527</u>
General Revenues		
Taxes	158,192,299	145,938,983
Grants and entitlements	98,524,554	8,872,574
Earnings on investments	3,304,659	128,102
Miscellaneous	<u>31,045,808</u>	<u>4,511,098</u>
Total general revenues	<u>291,067,320</u>	<u>159,450,757</u>
Total revenues	<u>333,918,436</u>	<u>199,147,284</u>
Expenses		
Instructional	165,630,470	57,122,349
Student support services	20,303,307	17,241,398
Staff support	12,965,222	11,060,879
District administration	7,483,925	7,482,417
School administration	18,656,268	16,315,553
Business support	6,611,275	6,344,473
Plant operations	26,918,954	14,824,532
Student transportation	18,435,144	17,665,470
Central office	29,530	31,772
Food service operation	11,155,950	11,182,955
Day care	133,785	157,854
Other	6,221,566	8,076,776
Interest on long-term debt	<u>6,042,779</u>	<u>5,884,233</u>
Total expenses	<u>300,588,175</u>	<u>173,390,661</u>
Change in net position	<u>\$ 33,330,261</u>	<u>\$ 25,756,623</u>

BUDGETARY IMPLICATIONS

In Kentucky, the public school fiscal year is July 1-June 30; other programs, i.e. some federal programs, operate on a different fiscal calendar, but are reflected in the District overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a budget with \$12,018,706 in contingency (4.6%). The cash balance for the beginning of the fiscal year was \$93,321,502.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BOONE COUNTY SCHOOL DISTRICT

**Statement of Net Position – District Wide
As of June 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and cash equivalents	\$ 95,928,016	\$ 9,747,593	\$ 105,675,609
Accounts receivable	12,961,868	8,695	12,970,563
Interfund receivable	1,165,733	-	1,165,733
Prepaid expenses	322,910	-	322,910
Inventories for consumption	-	134,828	134,828
	<hr/>	<hr/>	<hr/>
Total current	110,378,527	9,891,116	120,269,643
Noncurrent:			
Construction in progress	14,384,183	-	14,384,183
Nondepreciated capital assets:			
Land	13,720,372	-	13,720,372
Depreciated capital assets:			
Land improvements	22,925,737	-	22,925,737
Buildings and improvements	498,376,365	76,617	498,452,982
Furniture and equipment	48,254,519	5,270,080	53,524,599
Less: accumulated depreciation	(247,405,597)	(4,796,821)	(252,202,418)
	<hr/>	<hr/>	<hr/>
Total noncurrent	350,255,579	549,876	350,805,455
	<hr/>	<hr/>	<hr/>
Total assets	460,634,106	10,440,992	471,075,098
	<hr/>	<hr/>	<hr/>
Deferred outflows	69,911,251	1,692,688	71,603,939
	<hr/>	<hr/>	<hr/>
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	17,873,660	-	17,873,660
Accounts payable	1,476,039	-	1,476,039
Accrued interest	1,506,378	-	1,506,378
Accrued sick leave	243,388	-	243,388
Accrued payroll and related expenses	4,400,043	-	4,400,043
Unearned revenues	1,708,744	-	1,708,744
Interfund payable	-	1,165,057	1,165,057
	<hr/>	<hr/>	<hr/>
Total current	27,208,252	1,165,057	28,373,309
	<hr/>	<hr/>	<hr/>
Noncurrent:			
Accrued sick leave	2,540,496	59,973	2,600,469
MIF net OPEB liability	79,582,393	1,960,981	81,543,374
CERS net pension liability	80,064,514	1,972,861	82,037,375
Bond obligations	162,339,297	-	162,339,297
	<hr/>	<hr/>	<hr/>
Total noncurrent	324,526,700	3,993,815	328,520,515
	<hr/>	<hr/>	<hr/>
Total liabilities	351,734,952	5,158,872	356,893,824
	<hr/>	<hr/>	<hr/>
Deferred inflows	47,612,383	1,173,211	48,785,594
	<hr/>	<hr/>	<hr/>
Net Position			
Invested in capital assets, net of related debt	171,259,609	549,876	171,809,485
Restricted	(88,017,340)	5,251,721	(82,765,619)
Unrestricted	47,955,753	-	47,955,753
	<hr/>	<hr/>	<hr/>
Total net position	\$ 131,198,022	\$ 5,801,597	\$ 136,999,619
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Activities – District Wide
For Year Ended June 30, 2023**

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instructional	\$ 165,630,470	\$ -	\$ 16,049,087	\$ -	\$ (149,581,383)	\$ -	\$ (149,581,383)
Student support services	20,303,307	-	2,074,531	-	(18,228,776)	-	(18,228,776)
Staff support services	12,965,222	-	1,661,753	-	(11,303,469)	-	(11,303,469)
District administration	7,483,925	-	26,606	-	(7,457,319)	-	(7,457,319)
School administration	18,656,268	-	104,338	-	(18,551,930)	-	(18,551,930)
Business support services	6,611,275	-	367,394	-	(6,243,881)	-	(6,243,881)
Plant operation and maintenance	26,918,954	-	88,308	-	(26,830,646)	-	(26,830,646)
Student transportation	18,435,144	-	2,401,221	-	(16,033,923)	-	(16,033,923)
Central office	29,530	-	-	-	(29,530)	-	(29,530)
Food service operations	93,801	-	93,801	-	-	-	-
Day care operations	72,142	-	72,142	-	-	-	-
Community service operations	2,016,085	-	1,366,216	-	(649,869)	-	(649,869)
Facility acquisition and construction	97,209	-	-	4,763,200	4,665,991	-	4,665,991
Other	3,942,329	-	-	-	(3,942,329)	-	(3,942,329)
Interest on long-term debt	6,042,779	-	-	-	(6,042,779)	-	(6,042,779)
Total governmental activities	289,298,440	-	24,305,397	4,763,200	(260,229,843)	-	(260,229,843)
Business-type activities							
Food service	11,155,950	3,323,032	10,436,328	-	-	2,603,410	2,603,410
Daycare	133,785	-	23,159	-	-	(110,626)	(110,626)
Total business-type activities	11,289,735	3,323,032	10,459,487	-	-	2,492,784	2,492,784
Total school district	\$ 300,588,175	\$ 3,323,032	\$ 34,764,884	\$ 4,763,200	(260,229,843)	2,492,784	(257,737,059)
General revenues:							
					158,192,299	-	158,192,299
					98,524,554	-	98,524,554
					3,097,912	206,747	3,304,659
					30,856,304	149,015	31,005,319
					Special items:		
					21,922	18,567	40,489
					615,540	(615,540)	-
					291,308,531	(241,211)	291,067,320
					31,078,688	2,251,573	33,330,261
					100,119,334	3,550,024	103,669,358
					\$ 131,198,022	\$ 5,801,597	\$ 136,999,619

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT
Balance Sheet – Governmental Funds
As of June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Current:					
Cash and cash equivalents	\$ 60,513,324	\$ 246,168	\$ 32,583,267	\$ 2,585,257	\$ 95,928,016
Interfund receivable	1,165,733		-	-	1,165,733
Accounts receivable	9,198,873	2,755,302	-	1,007,693	12,961,868
Prepaid expenses	322,910	-	-	-	322,910
Total assets	<u>\$ 71,200,840</u>	<u>\$ 3,001,470</u>	<u>\$ 32,583,267</u>	<u>\$ 3,592,950</u>	<u>\$ 110,378,527</u>
Liabilities and Fund Balances					
Liabilities					
Current:					
Accounts payable	\$ 160,491	\$ 67,892	\$ 1,242,310	\$ 5,346	\$ 1,476,039
Unearned revenue	-	1,708,744	-	-	1,708,744
Accrued payroll and related expenses	4,400,043	-	-	-	4,400,043
	<u>4,560,534</u>	<u>1,776,636</u>	<u>1,242,310</u>	<u>5,346</u>	<u>7,584,826</u>
Noncurrent:					
Accrued sick leave	350,000	-	-	-	350,000
Total noncurrent	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Total liabilities	<u>4,910,534</u>	<u>1,776,636</u>	<u>1,242,310</u>	<u>5,346</u>	<u>7,934,826</u>
Fund Balances					
Restricted:					
Capital projects	-	-	31,340,957	-	31,340,957
Debt service	-	-	-	157,959	157,959
Grants	-	1,224,834	-	-	1,224,834
Committed:					
Other	1,302,636	-	-	-	1,302,636
Assigned:					
Site based carryforward	1,444,409	-	-	-	1,444,409
Purchase obligations	4,763,495	-	-	80,000	4,843,495
New school openings	9,233,396	-	-	-	9,233,396
Future land purchase	1,000,000	-	-	-	1,000,000
Unassigned	48,546,370	-	-	3,349,645	51,896,015
Total fund balances	<u>66,290,306</u>	<u>1,224,834</u>	<u>31,340,957</u>	<u>3,587,604</u>	<u>102,443,701</u>
Total liabilities and fund balances	<u>\$ 71,200,840</u>	<u>\$ 3,001,470</u>	<u>\$ 32,583,267</u>	<u>\$ 3,592,950</u>	<u>\$ 110,378,527</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2023**

Total governmental fund balance		\$ 102,443,701
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	14,384,183	
Cost of capital assets	583,276,993	
Accumulated depreciation	<u>(247,405,597)</u>	350,255,579
Deferred outflows related to CERS	11,337,282	
Deferred outflows for CERS contributions made after the measurement date	8,669,533	
Deferred outflows for MIF contributions made after the measurement date	4,362,634	
Deferred outflows related to MIF	44,324,815	
Deferred outflows for bond refinancing	<u>1,216,987</u>	69,911,251
Deferred inflows related to CERS	(11,353,004)	
Deferred inflows related to MIF	<u>(36,259,379)</u>	(47,612,383)
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable		(179,957,418)
Bond premiums		(255,539)
Accrued interest on bonds		(1,506,378)
Net pension liability		(80,064,514)
Net OPEB liability		(79,582,393)
Accrued sick leave		<u>(2,433,884)</u>
Total net position - governmental		<u>\$ 131,198,022</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 130,026,499	\$ -	\$ -	\$ 28,165,800	\$ 158,192,299
Earnings on investments	1,691,479	-	1,390,722	15,711	3,097,912
State sources	122,252,702	7,548,875	4,763,200	5,118,598	139,683,375
Federal sources	1,139,677	15,391,785	-	735,855	17,267,317
Other sources	801,463	1,364,737	-	6,510,990	8,677,190
Total revenues	<u>255,911,820</u>	<u>24,305,397</u>	<u>6,153,922</u>	<u>40,546,954</u>	<u>326,918,093</u>
Expenditures					
Instructional	145,663,917	14,326,814	-	7,008,147	166,998,878
Student support services	17,728,961	2,074,531	-	482,915	20,286,407
Staff support services	10,474,982	1,661,753	-	820,708	12,957,443
District administration	7,453,733	26,606	-	3,586	7,483,925
School administration	17,798,780	104,338	-	737,037	18,640,155
Business support services	6,111,097	367,394	-	-	6,478,491
Plant operation and maintenance	20,722,875	88,308	13,314,801	918,664	35,044,648
Student transportation	15,620,461	2,401,221	-	105,173	18,126,855
Central office	-	-	-	29,530	29,530
Food service operation	-	93,801	-	-	93,801
Day care operations	-	72,142	-	-	72,142
Community service operations	615,752	1,366,216	-	33,967	2,015,935
Facility acquisition and construction	3,706	-	295,049	-	298,755
Other	-	-	3,942,329	-	3,942,329
Debt service:					
Principal	-	-	-	17,443,659	17,443,659
Interest	-	-	-	6,038,497	6,038,497
Total expenditures	<u>242,194,264</u>	<u>22,583,124</u>	<u>17,552,179</u>	<u>33,621,883</u>	<u>315,951,450</u>
Excess (deficit) of revenues over expenditures	<u>13,717,556</u>	<u>1,722,273</u>	<u>(11,398,257)</u>	<u>6,925,071</u>	<u>10,966,643</u>
Other financing sources (uses)					
Proceeds from sale of assets	43,660	-	-	-	43,660
Operating transfers in	876,734	554,000	17,615,579	24,771,051	43,817,364
Operating transfers out	(2,607,591)	(1,147,616)	-	(39,446,617)	(43,201,824)
Total other financing sources (uses)	<u>(1,687,197)</u>	<u>(593,616)</u>	<u>17,615,579</u>	<u>(14,675,566)</u>	<u>659,200</u>
Net change in fund balance	12,030,359	1,128,657	6,217,322	(7,750,495)	11,625,843
Fund balance, July 1, 2022	<u>54,259,947</u>	<u>96,177</u>	<u>25,123,635</u>	<u>11,338,099</u>	<u>90,817,858</u>
Fund balance, June 30, 2023	<u>\$ 66,290,306</u>	<u>\$ 1,224,834</u>	<u>\$ 31,340,957</u>	<u>\$ 3,587,604</u>	<u>\$ 102,443,701</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2023**

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

Net changes-governmental funds	\$	11,625,843
<p>Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.</p>		
Depreciation expense	(15,123,625)	
Capital outlays	18,704,332	
Retirement of capital assets	<u>(21,738)</u>	
		3,558,969
<p>Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>		
Bond principal paid		17,443,660
Amortization of bond refinancing		(246,367)
Amortization of bond premium		32,973
Deferred outflows related to pensions		4,115,127
Deferred outflows related to other post-retirement employee benefits		19,642,117
Deferred inflows related to pensions		2,128,703
Deferred inflows related to other post-retirement employee benefits		815,771
<p>Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>		
		<u>(28,038,108)</u>
Changes in net position of governmental activities	\$	<u><u>31,078,688</u></u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Net Position
– Proprietary Funds
As of June 30, 2023**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Assets			
Current			
Cash and cash equivalents	\$ 9,732,558	\$ 15,035	\$ 9,747,593
Accounts receivable	8,695	-	8,695
Inventories for consumption	134,828	-	134,828
Total current	<u>9,876,081</u>	<u>15,035</u>	<u>9,891,116</u>
Noncurrent			
Buildings and Improvements	76,617	-	76,617
Furniture and Fixtures	5,270,080	-	5,270,080
Less: accumulated depreciation	<u>(4,796,821)</u>	<u>-</u>	<u>(4,796,821)</u>
Total noncurrent	<u>549,876</u>	<u>-</u>	<u>549,876</u>
Total assets	<u>10,425,957</u>	<u>15,035</u>	<u>10,440,992</u>
Deferred outflows	<u>1,653,494</u>	<u>39,194</u>	<u>1,692,688</u>
Liabilities and Net Position			
Liabilities			
Current			
Interfund payable	<u>1,165,057</u>	<u>-</u>	<u>1,165,057</u>
Total current	<u>1,165,057</u>	<u>-</u>	<u>1,165,057</u>
Noncurrent			
MIF net OPEB liability	1,915,574	45,407	1,960,981
CERS net pension liability	1,927,179	45,682	1,972,861
Accumulated sick leave	<u>58,584</u>	<u>1,389</u>	<u>59,973</u>
Total noncurrent	<u>3,901,337</u>	<u>92,478</u>	<u>3,993,815</u>
Total liabilities	<u>5,066,394</u>	<u>92,478</u>	<u>5,158,872</u>
Deferred inflows	<u>1,146,045</u>	<u>27,166</u>	<u>1,173,211</u>
Net Position			
Invested in assets, net of debt	549,876	-	549,876
Restricted	<u>5,317,136</u>	<u>(65,415)</u>	<u>5,251,721</u>
Total net position	<u>\$ 5,867,012</u>	<u>\$ (65,415)</u>	<u>\$ 5,801,597</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
Year Ended June 30, 2023**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Operating revenues			
Lunchroom sales	\$ 3,323,032	\$ -	\$ 3,323,032
Other operating revenues	(195)	149,210	149,015
Total operating revenues	<u>3,322,837</u>	<u>149,210</u>	<u>3,472,047</u>
Operating expenses			
Salaries and benefits	5,884,933	117,067	6,002,000
Contract services	289,986	225	290,211
Materials and supplies	4,854,558	16,468	4,871,026
Depreciation	121,759	-	121,759
Other operating expenses	4,714	25	4,739
Total operating expenses	<u>11,155,950</u>	<u>133,785</u>	<u>11,289,735</u>
Operating loss	<u>(7,833,113)</u>	<u>15,425</u>	<u>(7,817,688)</u>
Nonoperating revenues (expenses)			
Federal grants	8,418,224	-	8,418,224
State grants	1,519,909	23,159	1,543,068
Donated commodities and other donations	498,195	-	498,195
Proceeds from sale of assets	18,567	-	18,567
Transfers out	(610,760)	(4,780)	(615,540)
Interest income	206,747	-	206,747
Total nonoperating revenues	<u>10,050,882</u>	<u>18,379</u>	<u>10,069,261</u>
Change in net position	2,217,769	33,804	2,251,573
Total net position, July 1, 2022	<u>3,649,243</u>	<u>(99,219)</u>	<u>3,550,024</u>
Total net position, June 30, 2023	<u>\$ 5,867,012</u>	<u>\$ (65,415)</u>	<u>\$ 5,801,597</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2023**

	<u>Food Service Fund</u>	<u>Daycare Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from lunchroom sales	\$ 3,323,032	\$ -	\$ 3,323,032
Cash received from other activities	1,105,155	130,787	1,235,942
Cash payments to employees for services	(5,884,933)	(117,067)	(6,002,000)
Cash payments to suppliers for goods and services	(4,984,267)	(17,064)	(5,001,331)
Cash transfers	(610,760)	(4,780)	(615,540)
Net cash used in operating activities	<u>(7,051,773)</u>	<u>(8,124)</u>	<u>(7,059,897)</u>
Cash flows from capital financing activities			
Proceeds from sale of capital assets	18,567	-	18,567
Purchase of capital assets	<u>(19,073)</u>	<u>-</u>	<u>(19,073)</u>
Net cash used in capital financing activities	<u>(506)</u>	<u>-</u>	<u>(506)</u>
Cash flows from noncapital financing activities			
Non-operating revenues received	<u>10,436,328</u>	<u>23,159</u>	<u>10,459,487</u>
Net cash provided by noncapital financing activities	<u>10,436,328</u>	<u>23,159</u>	<u>10,459,487</u>
Cash flows from investing activities			
Interest on investments	<u>206,747</u>	<u>-</u>	<u>206,747</u>
Net cash provided by investing activities	<u>206,747</u>	<u>-</u>	<u>206,747</u>
Net increase in cash and cash equivalents	3,590,796	15,035	3,605,831
Cash and cash equivalents - beginning	<u>6,141,762</u>	<u>-</u>	<u>6,141,762</u>
Cash and cash equivalents - ending	<u>\$ 9,732,558</u>	<u>\$ 15,035</u>	<u>\$ 9,747,593</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (7,833,113)	\$ 15,425	\$ (7,817,688)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	121,759	-	121,759
Transfers	(610,760)	(4,780)	(615,540)
Changes in assets and liabilities:			
Decrease in accounts receivable	1,121,451	-	1,121,451
(Decrease) in accumulated sick leave	(4,306)	(346)	(4,652)
Decrease in interfund receivables	(950,631)	-	(950,631)
(Increase) in due to other funds	1,165,057	(3,815)	1,161,242
(Increase) in deferred outflows	(540,935)	(8,498)	(549,433)
(Increase) in deferred inflows	(105,652)	(7,369)	(113,021)
Decrease in MIF net OPEB liability	469,655	5,514	475,169
(Increase) Decrease in CERS net pension liability	117,225	(4,255)	112,970
(Decrease) in inventories	(1,523)	-	(1,523)
Net cash used in operating activities	<u>\$ (7,051,773)</u>	<u>\$ (8,124)</u>	<u>\$ (7,059,897)</u>
Schedule of non-cash transactions:			
Donated commodities received from federal government	\$ 498,195	\$ -	\$ 498,195
On behalf payments	<u>\$ 1,421,439</u>	<u>\$ 23,159</u>	<u>\$ 1,444,598</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

Basis of Presentation

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

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

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

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

The District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.
- (B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the schedule of expenditures of federal awards included in this report on pages 74-75. This is a major fund of the District.
- (C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (continued)

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

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.
2. The Facility Support Program of Kentucky Fund (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.
3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$31,340,957 for ongoing projects.

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

II. Debt Service Fund

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

III. Proprietary Fund (Enterprise Fund)

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

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

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

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

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

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

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

Taxes

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

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

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

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

Cash and Cash Equivalents

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

Inventories

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

Capital Assets

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

Accumulated Unpaid Sick Leave Benefits

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

Interfund Balances

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

Accrued Liabilities and Long-Term Obligations

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

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

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

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

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

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

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

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

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

Net Position

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

Operating Revenues and Expenses

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

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

Pensions

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

Postemployment Benefits Other than Pensions (OPEB)

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

NOTE 2 ESTIMATES

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

NOTE 3 CASH AND CASH EQUIVALENTS

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 4 CAPITAL ASSETS

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

<u>Governmental Activities</u>	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Land	\$ 13,720,372	\$ -	\$ -	\$ 13,720,372
Land improvements	22,077,929	847,808	-	22,925,737
Buildings and improvements	482,907,342	15,469,023	-	498,376,365
Technology equipment	11,085,954	-	29,032	11,056,922
Vehicles	30,226,910	1,253,757	1,208,983	30,271,684
General equipment	6,170,126	769,735	13,948	6,925,913
Construction work in progress	14,020,174	16,479,294	16,115,285	14,384,183
Totals at historical cost	<u>580,208,807</u>	<u>34,819,617</u>	<u>17,367,248</u>	<u>597,661,176</u>
Less: accumulated depreciation				
Land improvements	5,238,543	161,763	-	5,400,306
Buildings and improvements	191,097,351	13,130,892	-	204,228,243
Technology equipment	10,994,416	58,833	29,032	11,024,217
Vehicles	21,408,331	1,522,824	1,201,193	21,729,962
General equipment	4,773,556	249,313	-	5,022,869
Total accumulated depreciation	<u>233,512,197</u>	<u>15,123,625</u>	<u>1,230,225</u>	<u>247,405,597</u>
Governmental activities capital assets - net	<u>\$ 346,696,610</u>	<u>\$ 19,695,992</u>	<u>\$ 16,137,023</u>	<u>\$ 350,255,579</u>
<u>Business - Type Activities</u>				
General equipment	\$ 4,536,212	\$ 19,073	\$ 16,878	\$ 4,538,407
Buildings and improvements	76,617	-	-	76,617
Vehicles	59,800	-	-	59,800
Technology equipment	671,873	-	-	671,873
Totals at historical cost	<u>5,344,502</u>	<u>19,073</u>	<u>16,878</u>	<u>5,346,697</u>
Less: accumulated depreciation				
General equipment	3,890,555	115,333	16,878	3,989,010
Buildings and improvements	70,861	5,277	-	76,138
Vehicles	59,800	-	-	59,800
Technology equipment	670,724	1,149	-	671,873
Total accumulated depreciation	<u>4,691,940</u>	<u>121,759</u>	<u>16,878</u>	<u>4,796,821</u>
Business - type activities capital assets - net	<u>\$ 652,562</u>	<u>\$ (102,686)</u>	<u>\$ -</u>	<u>\$ 549,876</u>

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense by function for the fiscal year ended June 30, 2023 was as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Instruction	\$ 5,034,253	\$ -
Student support services	16,900	-
Staff support services	7,779	-
School administration	16,113	-
Business support services	132,784	-
Plant operation and maintenance	8,353,600	-
Food service	-	121,759
Student transportation	1,562,046	-
Community services	150	-
Total	<u>\$ 15,123,625</u>	<u>\$ 121,759</u>

NOTE 5 ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2023 this amount totaled approximately \$2,843,857 for those employees with twenty-seven or more years of experience.

NOTE 6 BONDED DEBT

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 6 BONDED DEBT (CONTINUED)

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

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

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

The District entered into "participation agreements" with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 17 sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2023 for debt service (principal and interest) are reported in Note 17.

NOTE 7 RETIREMENT PLANS

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

General information about the County Employees Retirement System Non-Hazardous

Plan description

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

Benefits provided

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

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Contributions

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

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

The contribution requirement for CERS for the year ended June 30, 2023, was \$10,756,135, which consisted of \$8,883,158 from the District and \$1,872,977 from the employees. Total contributions for the year ended June 30, 2022 and 2021 were \$10,219,551 and \$8,904,887, respectively. The contributions have been contributed in full for fiscal years 2023, 2022 and 2021.

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

Plan description

Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through the Teachers' Retirement System of the State of Kentucky—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS is a blended component unit of the Commonwealth of Kentucky Revised Statutes and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/employers/gasb-65-67/>.

Benefits provided

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

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Benefits provided (Continued)

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

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

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

Contributions

Contribution rates are established by Kentucky Revised Statutes. Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to TRS. The contribution requirement for TRS for the year ended June 30, 2023, was \$14,799,054, which consisted of \$4,129,292 from the District and \$18,928,346 from the employees. Total contributions for the year ended June 30, 2022 and 2021 were \$18,186,705 and \$16,982,979, respectively. The contributions have been contributed in full for fiscal years 2023, 2022 and 2021.

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Medical Insurance Plan

Plan description

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

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

Funding policy

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

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability	\$ 82,037,375
Commonwealth's proportionate share of the TRS net pension liability associated with the District	<u>559,612,588</u>
	<u>\$ 641,649,963</u>

The net pension liability for each plan was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2022, the District's proportion was 1.13484% percent.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2023, the District recognized a reduction in pension expense of \$5,223,286 related to CERS. The District also recognized expense of \$30,648,509 and revenue of \$30,648,509 for TRS support provided by the Commonwealth due to a change in assumptions. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 87,708	\$ 730,578
Net difference between projected and actual earnings on pension plan investments	11,162,829	9,059,689
Changes of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	366,106	1,842,485
District contributions subsequent to the measurement date	<u>8,883,158</u>	<u>-</u>
Total	<u>\$ 20,499,801</u>	<u>\$ 11,632,752</u>

\$8,883,158 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ (813,623)
2025	(843,592)
2026	(689,395)
2027	2,330,501
2028	-

Actuarial assumptions

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

	<u>CERS</u>	<u>TRS</u>
Inflation	2.30%	2.50%
Projected salary increases	3.3 - 10.3%	3.0 - 7.5%
Investment rate of return, net of investment expense and inflation	6.25%	7.10%

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

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

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

<u>Asset Class</u>	<u>TRS Target Allocation</u>	<u>TRS Long-Term Expected Real Rate of Return</u>	<u>CERS Target Allocation</u>	<u>CERS Long-Term Expected Real Rate of Return</u>
US equity	40.0%	4.23%	50.0%	4.45%
Developed international equity	16.5%	5.30%		
Emerging markets equity	5.5%	5.40%		
Core bonds			10.0%	0.28%
Private equity	7.0%	6.90%	10.0%	10.15%
High yield	2.0%	1.70%	10.0%	2.28%
Fixed income	15.0%	-0.10%		
Additional categories	5.0%	2.20%		
Real estate	7.0%	4.00%	7.0%	3.67%
Real return			13.0%	4.07%
Cash	2.0%	-0.30%	0.0%	-0.91%
Total	<u>100%</u>		<u>100%</u>	

Discount rate

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 102,536,540	\$ 82,037,375	\$ 65,082,864
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net position

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

NOTE 8 OPEB PLANS

General information about the Teachers' Retirement System OPEB Plan

Plan description

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Medical Insurance Plan

Plan description

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

Benefits provided

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

Contributions

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

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

Plan description

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Benefits

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

Contributions

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

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

At June 30, 2023, the Boone County School District reported a liability of \$81,543,374 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, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022 and 2021, the District's proportion was 2.38% and 1.74% percent for TRS, respectively, and 1.13% and 1.18% percent for CERS for June 30, 2022 and 2021, respectively.

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

District's proportionate share of the CERS net OPEB liability	\$ 22,392,374
District's proportionate share of the TRS net OPEB liability	59,151,000
State's proportionate share of the net OPEB liability associated with the District	<u>19,432,000</u>
	<u><u>\$ 100,975,374</u></u>

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

For the year ended June 30, 2023, the District recognized OPEB expense of \$20,790,391 and revenue of \$1,762,940 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,253,979	\$ 30,000,091
Net difference between projected and actual earnings on OPEB plan investments	7,313,690	3,260,840
Change of assumptions	15,554,510	2,918,184
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,294,839	973,727
District contributions subsequent to the measurement date	<u>4,470,133</u>	<u>-</u>
Total	<u>\$ 49,887,151</u>	<u>\$ 37,152,842</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$4,470,133 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2024	\$ 260,297
2025	434,208
2026	(962,469)
2027	4,014,139
2028	3,206,000
Thereafter	1,312,001

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

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

	TRS	CERS
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.00 - 7.50%, including inflation	3.30% to 10.30%, varies by service
Inflation rate	2.5%	2.30%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Under 65	7.00% for FY 2022 decreasing to an ultimate rate of 4.50% by FY 2032	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years
Ages 65 and Older	5.125% for FY 2022 decreasing to an ultimate rate of 4.50% by FY 2025	Initial trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Medicare Part B Premiums	6.97% for FY 2022 with an ultimate rate of 4.50% by 2034	
Municipal Bond Index Rate	3.37%	3.69%
Discount Rate	7.10%	5.70%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including PRICE inflation	

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

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

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation.

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	58.0%	5.1%
Fixed Income	9.0%	-0.1%
Real Estate	6.5%	4.0%
Private Equity	8.5%	6.9%
Other Additional Categories	17.0%	1.7%
Cash (LIBOR)	1.0%	-0.3%
Total	<u>100.0%</u>	

Discount rate

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

For CERS, the discount rate used to measure the total OPEB liability was 5.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
TRS			
Districts' net OPEB liability	\$ 74,215,000	\$ 59,151,000	\$ 46,680,000
	<u>1% Decrease (4.70%)</u>	<u>Current Discount Rate (5.70%)</u>	<u>1% Increase (6.70%)</u>
CERS			
Districts' net OPEB liability	\$ 29,935,032	\$ 22,392,374	\$ 16,157,107

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

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
TRS			
Districts' net OPEB liability	\$ 44,344,000	\$ 59,151,000	\$ 77,567,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability	\$ 16,648,232	\$ 22,392,374	\$ 29,290,004

OPEB plan fiduciary net position

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

Life Insurance Plan

Plan description

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

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

Contributions

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

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

At June 30, 2023, the Boone County School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the District		<u>967,000</u>
	\$	<u>967,000</u>

For the year ended June 30, 2023, the District recognized OPEB expense of \$-0- and revenue of \$73,769 for support provided by the State.

Actuarial assumptions

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation.

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

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

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Discount rate

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

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

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

OPEB plan fiduciary net position

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

NOTE 9 CONTINGENCIES

Grant Fund Approval

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

NOTE 10 INSURANCE AND RELATED ACTIVITIES

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

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 11 RISK MANAGEMENT

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

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

NOTE 12 DEFICIT OPERATING/FUND BALANCES

The Building Fund and Day Care Fund currently have deficit fund balances of \$69,899 and \$65,415, respectively. However, the following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Building Fund	\$ 5,070,142
Capital Outlay Fund	1,814,028
Debt Service Fund	282,832
District Activity Fund	76,962
Cooper High School	30,377
Gray Middle School	17,495
Florence Elementary	15,964
Thornwilde Elementary	4,587
Collins Elementary	3,340
Ockerman Middle School	949
New Haven Elementary	511

NOTE 13 COBRA

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

NOTE 14 CONTINGENT LIABILITY

The District was a participant in the Kentucky School Board Insurance Trust (KSBIT) in which the District purchases general liability and workers' compensation insurance. As of June 30, 2023, the District has paid this liability in full.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 15 TRANSFER OF FUNDS

The following transfers were made during the year.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Special Revenue Fund	General Fund	Indirect Cost	\$ 168,672
Day Care Fund	General Fund	Indirect Cost	4,780
Food Service Fund	General Fund	Indirect Cost	610,760
Building Fund	General Fund	Facilities Cost	92,522
General Fund	Special Revenue Fund	KETS	554,000
General Fund	District Activity Fund	Fee Subsidy	390,795
School Activity Fund	District Activity Fund	Fees and Other	1,274,124
General Fund	Ignite Institute Fund	Operating Costs	1,426,551
General Fund	Construction Fund	Construction	236,245
Special Revenue Fund	Construction Fund	Construction	978,944
Capital Outlay Fund	Construction Fund	Construction	3,740,649
Building Fund	Construction Fund	Construction	12,659,741
Building Fund	Debt Service Fund	Debt Service	21,679,581

NOTE 16 ON-BEHALF PAYMENTS

For the year ended June 30, 2023 total payments of \$76,296,683 were made for life insurance, health insurance, TRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

General Fund	\$ 72,856,010
Debt Service	777,928
Day Care	23,159
Food Service	1,421,439
Ignite Institute	<u>1,218,147</u>
Total On-Behalf	<u><u>\$ 76,296,683</u></u>

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 17 SCHEDULE OF LONG-TERM OBLIGATIONS

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

FISCAL YEAR	BOONE COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2023-2024	\$ 17,252,242	\$ 5,471,056	\$ 22,723,298	\$ 621,418	\$ 156,509	\$ 777,927	\$ 23,501,225
2024-2025	16,175,902	4,985,670	21,161,572	482,758	139,470	622,228	21,783,800
2025-2026	16,622,420	4,532,374	21,154,794	496,240	125,989	622,229	21,777,023
2026-2027	15,642,367	4,088,687	19,731,054	486,293	112,370	598,663	20,329,717
2027-2028	11,142,949	3,032,740	14,175,689	447,051	99,345	546,396	14,722,085
2028-2029	11,420,169	2,741,816	14,161,985	459,831	86,567	546,398	14,708,382
2029-2030	10,592,022	2,438,654	13,030,676	407,978	73,235	481,213	13,511,888
2030-2031	10,875,034	2,156,239	13,031,273	419,966	61,246	481,212	13,512,485
2031-2032	7,448,974	1,862,476	9,311,450	246,026	48,824	294,850	9,606,300
2032-2033	7,681,602	1,642,871	9,324,473	253,398	41,451	294,849	9,619,321
2033-2034	7,420,131	1,410,821	8,830,952	189,869	33,649	223,518	9,054,469
2034-2035	7,649,279	1,182,210	8,831,489	195,721	27,797	223,518	9,055,007
2035-2036	7,903,119	940,204	8,843,323	201,881	21,637	223,518	9,066,841
2036-2037	7,303,550	686,864	7,990,414	186,450	15,579	202,029	8,192,443
2037-2038	4,840,212	496,949	5,337,161	89,788	11,351	101,139	5,438,300
2038-2039	5,007,466	342,285	5,349,751	92,534	8,606	101,140	5,450,891
2039-2040	3,954,638	204,573	4,159,211	95,362	5,777	101,139	4,260,350
2040-2041	1,329,922	84,326	1,414,248	45,078	2,861	47,939	1,462,188
2041-2042	1,368,513	42,766	1,411,279	46,487	1,453	47,940	1,459,219
Various*	2,862,778	-	2,862,778	-	-	-	2,862,778
	<u>\$ 174,493,289</u>	<u>\$ 38,343,581</u>	<u>\$ 212,836,870</u>	<u>\$ 5,464,129</u>	<u>\$ 1,073,715</u>	<u>\$ 6,537,844</u>	<u>\$ 219,374,714</u>

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

A summary of the changes in the principal of the outstanding bond obligations, the bond premium and the sick leave liability for the District during the year ended June 30, 2023 is as follows:

Governmental Activities	Balance	Additions	Payments	Balance
	July 1, 2022			June 30, 2023
Bond Obligations	\$ 197,401,078	\$ -	\$ 17,443,660	\$ 179,957,418
Bond premium	\$ 288,512	\$ -	\$ 32,973	\$ 255,539
Sick Leave	\$ 2,954,721	\$ 561,414	\$ 672,278	\$ 2,843,857

NOTE 18 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2022, the District elected to adopt Governmental Accounting Standards Board ("GASB") Statement no. 96, *Subscription-Based Information Technology Arrangements*, as it relates to accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Under this Statement, contracts that provide the District with IT software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets are recognized as a right of use subscription asset and a corresponding subscription liability. There was no material impact on the financial statements as a result of this change in accounting principle.

NOTE 19 SUBSEQUENT EVENTS

Subsequent events were considered through November 14, 2023, which represents the date the financial statements were available to be issued.

SUPPLEMENTARY
INFORMATION

BOONE COUNTY SCHOOL DISTRICT

**Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2023**

	<u>Capital Outlay Fund</u>	<u>Building Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Ignite Institute</u>	<u>District Activity Fund</u>	<u>Total Non-major Government Funds</u>
Assets							
Current:							
Cash and cash equivalents (overdraft)	\$ -	\$ -	\$ 157,959	\$ 2,315,138	\$ (892,361)	\$ 1,004,521	\$ 2,585,257
Accounts receivable	-	-	-	-	1,007,693	-	1,007,693
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,959</u>	<u>\$ 2,315,138</u>	<u>\$ 115,332</u>	<u>\$ 1,004,521</u>	<u>\$ 3,592,950</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,346	\$ 5,346
Total liabilities	-	-	-	-	-	5,346	5,346
Fund Balances:							
Restricted:							
Capital projects fund	-	-	-	-	-	-	-
Debt service fund	-	-	157,959	-	-	-	157,959
Assigned	-	-	-	-	80,000	-	80,000
Unassigned	-	-	-	2,315,138	35,332	999,175	3,349,645
Total fund balances	-	-	157,959	2,315,138	115,332	999,175	3,587,604
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,959</u>	<u>\$ 2,315,138</u>	<u>\$ 115,332</u>	<u>\$ 1,004,521</u>	<u>\$ 3,592,950</u>

BOONE COUNTY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds
As of June 30, 2023**

	<u>Capital Outlay Fund</u>	<u>Building Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Ignite Institute</u>	<u>District Activity Fund</u>	<u>Total Nonmajor Government Funds</u>
Revenues:							
Taxes	\$ -	\$ 28,165,800	\$ -	\$ -	\$ -	\$ -	\$ 28,165,800
Earnings on investments	-	-	5,960	-	-	9,751	15,711
State sources	1,926,621	1,195,902	777,928	-	1,218,147	-	5,118,598
Federal sources	-	-	735,855	-	-	-	735,855
Other sources	-	-	-	5,427,457	1,010,836	72,697	6,510,990
Total revenues	<u>1,926,621</u>	<u>29,361,702</u>	<u>1,519,743</u>	<u>5,427,457</u>	<u>2,228,983</u>	<u>82,448</u>	<u>40,546,954</u>
Expenditures:							
Instructional	-	-	-	3,205,135	2,302,245	1,500,767	7,008,147
Student support services	-	-	-	23,685	459,230	-	482,915
Staff support services	-	-	-	533,989	145,123	141,596	820,708
District administration	-	-	-	-	-	3,586	3,586
School administration	-	-	-	175,611	484,302	77,124	737,037
Plant operation and maintenance	-	-	-	-	918,664	-	918,664
Student transportation	-	-	-	3,917	-	101,256	105,173
Central office	-	-	-	29,530	-	-	29,530
Community service operations	-	-	-	33,967	-	-	33,967
Debt service:							
Principal	-	-	17,443,659	-	-	-	17,443,659
Interest	-	-	6,038,497	-	-	-	6,038,497
Total expenditures	<u>-</u>	<u>-</u>	<u>23,482,156</u>	<u>4,005,834</u>	<u>4,309,564</u>	<u>1,824,329</u>	<u>33,621,883</u>
Excess (deficit) of revenues over expenditures	<u>1,926,621</u>	<u>29,361,702</u>	<u>(21,962,413)</u>	<u>1,421,623</u>	<u>(2,080,581)</u>	<u>(1,741,881)</u>	<u>6,925,071</u>
Other Financing Sources (Uses)							
Operating transfers in	-	-	21,679,581	-	1,426,551	1,664,919	24,771,051
Operating transfers out	(3,740,649)	(34,431,844)	-	(1,274,124)	-	-	(39,446,617)
Total other financing sources(uses)	<u>(3,740,649)</u>	<u>(34,431,844)</u>	<u>21,679,581</u>	<u>(1,274,124)</u>	<u>1,426,551</u>	<u>1,664,919</u>	<u>(14,675,566)</u>
Net change in fund balance	(1,814,028)	(5,070,142)	(282,832)	147,499	(654,030)	(76,962)	(7,750,495)
Fund balance, July 1, 2022	<u>1,814,028</u>	<u>5,070,142</u>	<u>440,791</u>	<u>2,167,639</u>	<u>769,362</u>	<u>1,076,137</u>	<u>11,338,099</u>
Fund balance, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,959</u>	<u>\$ 2,315,138</u>	<u>\$ 115,332</u>	<u>\$ 999,175</u>	<u>\$ 3,587,604</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual – General Fund
Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 118,145,750	\$ 119,945,750	\$ 130,026,499	\$ 10,080,749
Earnings on investments	100,000	1,300,000	1,691,479	391,479
State sources	102,000,000	103,180,000	122,252,702	19,072,702
Federal sources	1,000,000	1,000,000	1,139,677	139,677
Other sources	2,645,800	2,449,123	1,721,857	(727,266)
Total revenues	<u>223,891,550</u>	<u>227,874,873</u>	<u>256,832,214</u>	<u>28,957,341</u>
Expenditures				
Instructional	162,437,192	162,431,796	145,663,917	16,767,879
Student support services	11,551,555	11,808,560	17,728,961	(5,920,401)
Staff support services	7,295,330	7,400,569	10,474,982	(3,074,413)
District administration	7,206,083	7,233,952	7,453,733	(219,781)
School administration	12,658,813	13,090,252	17,798,780	(4,708,528)
Business support services	4,919,417	4,908,898	6,111,097	(1,202,199)
Plant operation and maintenance	20,320,924	20,408,404	20,722,875	(314,471)
Student transportation	17,537,003	19,644,412	15,620,461	4,023,951
Community service operations	28,692	28,166	615,752	(587,586)
Architectural/Engineering	20,772	20,772	3,706	17,066
Facility acquisition and construction	34,000	34,000	-	34,000
Other	14,231,347	15,214,670	2,607,591	12,607,079
Total expenditures	<u>258,241,128</u>	<u>262,224,451</u>	<u>244,801,855</u>	<u>17,422,596</u>
Net change in fund balance	(34,349,578)	(34,349,578)	12,030,359	46,379,937
Fund balance, July 1, 2022	<u>34,349,578</u>	<u>34,349,578</u>	<u>54,259,947</u>	<u>19,910,369</u>
Fund balance, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,290,306</u>	<u>\$ 66,290,306</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources	\$ 20,000	\$ 7,750,478	\$ 7,548,875	\$ (201,603)
Federal sources	29,015	8,321,373	15,391,785	7,070,412
Other sources	<u>554,000</u>	<u>655,510</u>	<u>1,918,737</u>	<u>1,263,227</u>
Total revenues	<u>603,015</u>	<u>16,727,361</u>	<u>24,859,397</u>	<u>8,132,036</u>
Expenditures				
Instructional	583,015	11,331,292	14,326,814	(2,995,522)
Student support services	-	791,269	2,074,531	(1,283,262)
Staff support services	-	1,301,612	1,661,753	(360,141)
District administration	-	-	26,606	(26,606)
School administration	-	-	104,338	(104,338)
Business support services	-	25,276	367,394	(342,118)
Plant operation and maintenance	-	81,239	88,308	(7,069)
Student transportation	-	1,938,693	2,401,221	(462,528)
Food service operation	-	-	93,801	(93,801)
Day care operations	-	-	72,142	(72,142)
Community service operations	20,000	1,273,030	1,366,216	(93,186)
Other	<u>-</u>	<u>-</u>	<u>1,147,616</u>	<u>(1,147,616)</u>
Total expenditures	<u>603,015</u>	<u>16,742,411</u>	<u>23,730,740</u>	<u>(6,988,329)</u>
Net change in fund balance	-	(15,050)	1,128,657	1,143,707
Fund balance, July 1, 2022	<u>-</u>	<u>-</u>	<u>96,177</u>	<u>96,177</u>
Fund balance, June 30, 2023	<u>\$ -</u>	<u>\$ (15,050)</u>	<u>\$ 1,224,834</u>	<u>\$ 1,239,884</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction Fund
Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Earnings on investments	\$ -	\$ -	\$ 1,390,722	\$ 1,390,722
State sources	-	-	4,763,200	4,763,200
Other sources	-	42,492,148	17,615,579	(24,876,569)
Total revenues	<u>-</u>	<u>42,492,148</u>	<u>23,769,501</u>	<u>(18,722,647)</u>
Expenditures				
Plant operation and maintenance	-	-	13,314,801	13,314,801
Facility acquisition and construction	-	45,355,618	295,049	(45,060,569)
Other	-	(510,488)	3,942,329	4,452,817
Total expenditures	<u>-</u>	<u>44,845,130</u>	<u>17,552,179</u>	<u>(40,607,752)</u>
Net change in fund balance	-	(2,352,982)	6,217,322	8,570,304
Fund balance, July 1, 2022	<u>-</u>	<u>-</u>	<u>25,123,635</u>	<u>25,123,635</u>
Fund balance, June 30, 2023	<u>\$ -</u>	<u>\$ (2,352,982)</u>	<u>\$ 31,340,957</u>	<u>\$ 33,693,939</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balances
Bond and Interest Redemption Funds
For the Year Ended June 30, 2023**

	<u>Issue of 2010 - QCSB</u>	<u>Issue of 2012 - Ref</u>	<u>Issue of 2012B - Ref</u>	<u>Issue of 2013</u>	<u>Issue of 2014 - Ref</u>	<u>Issue of 2015 - Ref</u>	<u>Issue of 2016</u>	<u>Issue of 2016 - Ref</u>
Cash at July 1, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	1,121,048	4,328,256	2,130,225	283,463	1,977,250	1,759,175	471,113	5,452,950
Disbursements:								
Bonds paid	483,660	4,105,000	2,025,000	135,000	1,780,000	1,535,000	195,000	4,665,000
Interest coupons	637,388	223,256	105,225	148,463	197,250	224,175	276,113	787,950
Total disbursements	1,121,048	4,328,256	2,130,225	283,463	1,977,250	1,759,175	471,113	5,452,950
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2023	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>Issue of 2016B</u>	<u>Issue of 2017R</u>	<u>Issue of 2017B Ref</u>	<u>Issue of 2018</u>	<u>Issue of 2020</u>	<u>Issue of 2021</u>	<u>Issue of 2022</u>	<u>Total</u>
Cash at July 1, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	1,526,675	935,300	749,950	603,269	1,139,175	253,100	751,208	17,277,999
Disbursements:								
Bonds paid	705,000	695,000	400,000	175,000	285,000	60,000	200,000	17,443,660
Interest coupons	821,675	240,300	349,950	428,269	854,175	193,100	551,208	6,038,497
Total disbursements	1,526,675	935,300	749,950	603,269	1,139,175	253,100	751,208	23,482,157
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2023	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Boone County High School Activity Fund
For the Year Ended June 30, 2023**

	Fund Balance July 1, 2022	Receipts	Disbursements	Fund Balance June 30, 2023
Abbey Zimmer Scholarship	\$ 9,354	\$ 3,135	\$ 3,000	\$ 9,489
Academic team	-	92	-	92
Advanced Placement	2,225	1,530	1,837	1,918
Agendas	-	2,169	2,169	-
Archery	1,766	16,903	13,085	5,584
Art Club	160	-	-	160
Art Department	-	3,802	3,669	133
Athletic Concessions	3,096	33,223	32,385	3,935
Athletic Fees	7,553	2,130	2,775	6,908
Athletics	25,404	161,007	138,120	48,291
Background check	-	625	600	25
Backpack Food Program	1,578	-	1,272	306
Band Activities	-	30	30	-
Band trip	185	5,686	5,871	-
Baseball	9,474	7,313	10,717	6,070
Basketball - Boys	4,423	4,662	7,892	1,193
Basketball - Girls	1,227	6,484	6,877	834
BCHSKYA	31	-	-	31
Bowling Team	4,513	4,829	7,735	1,607
Broadway Art Scholarship	2,205	32,183	31,588	2,800
Charitable Gaming Holding	84	90	-	174
Cheerleaders - JV & Varsity	3,415	58,130	57,308	4,237
Chick Fila Leaders	268	-	-	268
Choral Music	395	9,962	8,755	1,602
Citigroup Scholarship	5,890	11,500	8,520	8,870
Class of 1955 scholarship	20	2,000	2,000	20
Conservation Grant	115	-	105	10
CRAC	-	7,878	1,562	6,315
Cross Country - Boys	372	1,037	578	831
Cross Country - Girls	992	-	248	744
Dance Team	282	5,646	5,929	-
Digital Arts	20	5	25	-
Dr. Edward P & Mary	464	16,735	12,000	5,199
English department	45	-	45	-
Family and Consumer Science	426	830	1,249	7
FASFF	482	-	-	482
FBLA	-	730	730	-
FCA	16	-	-	16
FCCLA	279	206	485	-
Fine Arts Department	-	5	5	-
Football	-	19,061	19,061	-
Forensic Nationals	-	273	-	273
Forensic Team	559	9,075	9,442	192
French Club	6	-	-	6
General	817	9,719	4,794	5,742
General Fees	-	29,641	25,540	4,101
Go Pantry	-	530	520	10
Golf - Boys	1,175	1,343	1,206	1,312
Golf - Girls	1,250	400	132	1,518

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Boone County High School Activity Fund (Continued)
For the Year Ended June 30, 2023**

	Fund Balance July 1, 2022	Receipts	Disbursements	Fund Balance June 30, 2023
Grace Kelly Girls Club	\$ 261	\$ -	\$ -	\$ 261
Guidance Department	2,358	100	694	1,763
JR SR Class	3,177	21,004	23,530	651
Library	54	434	436	52
Lockers	-	170	170	-
Logan's Heroes	846	-	59	787
Marching Band	8,751	6,160	14,912	-
Men of Boone	250	-	122	128
Music Honor Society	485	298	322	461
Nancy Lambers Bresser	-	500	500	-
National Art Honor Society	-	405	-	405
National Honor Society	134	4,335	2,881	1,588
Newspaper	689	14	208	495
Parking	-	2,640	2,640	-
Pep Club	145	-	145	-
Photography Club	60	-	-	60
Physical Education Department	24	-	24	-
Rebels for a Cause	1,085	2,175	1,587	1,673
Science Department	1,529	6,880	8,409	-
Service Learning	2	-	-	2
Soccer - Boys	3,042	7,504	6,296	4,249
Soccer - Girls	1,034	17,053	14,401	3,686
Softball	5,964	3,053	3,790	5,227
Spanish Club	30	-	-	30
Special Ed Department	235	-	203	32
Spiri-Demic Store	-	6,207	4,333	1,874
Spotlighters	3,254	3,124	2,482	3,896
Spring Musical	348	-	206	142
Stipulation Free	17	54	-	72
Student Council	263	-	(155)	417
Student Enrichment	1,269	2,250	2,250	1,269
Summer enrichment	3,975	300	4,275	-
Swimming	1,950	8,191	7,000	3,140
Tennis - Boys	478	500	664	314
Tennis - Girls	1,186	610	1,016	780
Testing Committee	981	1,200	1,070	1,111
Textbook rental	-	16,829	16,829	-
Track - Boys	1,180	8,938	5,289	4,829
Track - Girls	-	16,658	13,846	2,812
Volleyball	1,268	9,341	1,591	9,017
Women of Boone	246	-	-	246
World Language Dept	-	520	520	-
Wrestling	241	10,480	2,347	8,373
Yearbook	7,984	6,028	7,501	6,511
Youth Service Center	2,253	709	2,471	491
Total	\$ 147,614	\$ 635,265	\$ 584,728	\$ 198,151

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Conner High School Activity Fund
For the Year Ended June 30, 2023**

	Fund Balance July 1, 2022	Receipts	Disbursements	Fund Balance June 30, 2023
Academic Team	\$ 328	\$ 784	\$ 873	\$ 239
Agenda Book	5	440	445	-
Archery Club	5,778	8,683	10,805	3,656
Art	15	3,875	3,890	-
Art Club	617	-	168	449
Athletic	42,267	103,028	107,824	37,470
Athletic Fees	28,565	16,020	26,704	17,881
Athletic Gates	48	8,045	8,039	54
Background Check	10	490	500	-
Band	5,580	2,904	3,728	4,756
Baseball	19,360	50,895	51,182	19,073
Basketball/Boys	14,444	16,563	23,564	7,443
Basketball/Girls	16,459	24,746	16,894	24,311
Bowling	370	219	25	564
Character Counts	3,237	-	-	3,237
Cheerleaders	2,530	36,503	28,274	10,759
Choir Fee	-	902	902	-
Choirs	2,430	10,844	8,608	4,666
CHS Scholarship	4,005	-	-	4,005
Citi 2021-2022	1,440	-	1,440	-
Citi 2022-23	10,500	101	8,568	2,033
Citi 2023-2024	-	11,500	-	11,500
Citi Reserve Account	6,018	1,529	295	7,252
Clearing	-	1,450	1,450	-
Cougars for a Cause	597	-	597	-
Cougars in the Community	506	625	25	1,106
Cross Country	12,750	9,811	8,658	13,903
CTE	-	6,798	6,798	-
Culinary Creations	6,698	7,269	6,457	7,510
Dist Volleyball	-	3,084	3,084	-
District Baseball	175	-	175	-
District Basketball	50	-	-	50
District Softball	75	-	75	-
Drinks/Snack - Student Account	8,578	4,166	2,952	9,791
Drug Free Club	16	25	25	16
Earth Club	616	-	123	493
Educators Rising	65	-	-	65
English	1,431	410	20	1,820
F.B.L.A	916	5,344	5,483	777
F.C.C.L.A.	4,987	-	177	4,810
F.F.A.	4,442	10,403	10,695	4,150
Fees	55	52,624	52,179	500
FFA Scholarship	49,169	-	2,000	47,169
Field Rental	3,750	7,750	300	11,200
Field Trips	209	1,360	1,480	89
Football	19,482	90,876	96,458	13,900
Gay/Straight Alliance	109	-	25	84
General	5,307	26,512	14,158	17,661

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Conner School Activity Fund (Continued)
For the Year Ended June 30, 2023**

	Fund Balance July 1, 2022	Receipts	Disbursements	Fund Balance June 30, 2023
Golf/Boys	\$ 1,493	\$ 7,427	\$ 4,045	\$ 4,875
Golf/Girls	195	357	60	492
Greenhouse	3,306	3,215	2,252	4,270
Greg Miller Athletic Scholarship	4,500	-	500	4,000
Guidance	16,384	6,468	7,620	15,232
Hispanic Honor Society	1,010	1,093	992	1,110
Instrument Rental Fee	-	459	459	-
Inventory/Replacement	702	737	-	1,439
John Hoffman Scholarship	14,995	-	500	14,495
Junior Class	7,450	30,980	34,588	3,842
Leadership League	139	-	-	139
Library	-	52	-	52
Marching Band	6,246	9,182	9,468	5,960
MDHRoom	847	-	-	847
Media/Yearbook	7,345	2,257	1,863	7,739
Men/Woman of Conner	60	930	569	422
Musical Theatre	5,516	7,796	4,700	8,612
National Honor Society	2,746	2,711	2,366	3,091
Orchestra	210	-	50	160
Parking	-	4,550	4,550	-
Postage	472	-	24	448
Project Learning	157	78	-	235
Scholarships	3	7,000	7,000	3
Science	15	12,450	12,360	105
Senior Class	5,343	27,572	24,938	7,978
Soccer/Boys	13,911	17,452	18,935	12,428
Soccer/Girls	16,591	19,681	21,068	15,204
Social Studies	-	1,150	1,128	22
Soft Drinks - Faculty Account	728	608	1,215	121
Softball	5,550	10,726	7,647	8,629
Speech Team	6	-	-	6
Student Council	1,389	651	949	1,090
Swimming	4,684	8,007	4,745	7,946
Teachers Helping Teachers	65	468	392	141
Teams	-	500	150	350
Tennis/Boys	641	255	523	373
Tennis/Girls	78	1,550	1,161	467
Textbooks	65	45,396	45,054	407
The Cougar Crew	328	-	50	278
Track	1,307	6,785	6,932	1,160
TSA	400	-	190	210
Volleyball	9,782	23,516	20,805	12,493
Walking Club	78	-	78	-
Wendell Hull Scholarship	1,360	-	-	1,360
Wrestling	5,262	10,134	9,557	5,840
YFSC	3,037	1,514	610	3,941
Total	\$ 428,388	\$ 800,285	\$ 776,214	\$ 452,458

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Randall K. Cooper School Activity Fund
For the Year Ended June 30, 2023**

	Fund Balance July 1, 2022	Receipts	Disbursements	Fund Balance June 30, 2023
33rd District Athletics	-	8,616	8,616	-
Academic Team	789	371	305	856
After School Calculus	18	25	18	25
Ambassadors	35	-	35	-
AP Biology	5	66	-	71
AP Government Field	40	-	-	40
Archery club	2,771	18,891	19,957	1,706
Art Club	83	1,584	1,108	558
Athletic Administration	30,866	241,785	225,070	47,581
Athletic Fees	4,025	28,445	28,093	4,376
Autism Fundraiser	290	-	201	89
Band	19,817	11,842	15,188	16,470
Baseball	11,595	12,272	21,513	2,354
Basketball Boys	7,677	18,407	21,893	4,191
Basketball Girls	3,422	24,490	23,335	4,576
Biology club	81	-	-	81
Bowling Team	2,051	3,609	4,346	1,314
Ceramics Club	-	425	115	310
Cheerleading	29,759	180,034	174,817	34,976
Cheerleading competition	-	1,500	1,500	-
Chorus	1,057	360	938	479
Class 2022	500	-	500	-
Class of 2023	489	17,011	17,500	-
Class of 2024	36	3,884	3,000	920
Class of 2025	490	173	-	663
Cooper Can	80	420	404	96
Cooper Cuisine	-	1,587	1,377	209
Cooper Store	5,480	21,368	24,915	1,932
Cross Country Boys	2,041	4,053	4,666	1,429
Cross Country Girls	2,887	3,002	2,272	3,618
Dance Team	2,870	1,431	1,904	2,398
Drama	21,088	34,697	45,755	10,030
English Field Trip	182	-	-	182
Family Resource Center	225	1,665	472	1,418
FBLA	575	2,930	3,028	477
FCCLA	177	11,102	11,214	65
FFA	667	25,364	26,032	-
FFA Greenhouse	1,911	-	787	1,125
First Aid Room	-	100	100	-
FMP	215	3,513	3,728	-
Football	67,407	107,905	118,671	56,642
French Club	93	360	262	191
French Honor Society	-	300	300	-
General	1,602	5,965	6,350	1,217
German Field Trip	25	-	-	25
German Honor Society	113	-	-	113

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Randall K. Cooper School Activity Fund (Continued)
For the Year Ended June 30, 2023**

	Fund Balance July 1, 2022	Receipts	Disbursements	Fund Balance June 30, 2023
Girls Golf Conference	\$ -	\$ 2,480	\$ 2,480	\$ -
Girls Golf Tournament	-	2,480	2,480	-
Girl's Soccer School	-	5,916	5,916	-
Golf Boys	2,718	4,614	4,962	2,369
Golf Girls	2,148	9,823	8,887	3,084
Graduation DVD	388	2,172	1,330	1,230
Guidance	-	12,582	8,599	3,983
Interalliance	353	-	-	353
KY background checks	-	1,210	1,150	60
Lacrosse Club	7,654	16,067	21,239	2,482
National Honor Society	3,217	2,809	4,240	1,786
NYC Drama Trip	409	-	409	-
Parking Passes	500	6,044	6,044	500
Peace Club	430	-	-	430
PEP Club	221	235	255	200
Room 150	140	327	112	356
SBDM Background Check	-	123	113	10
Science Honor Society	66	-	66	-
Senior English Project	250	-	-	250
Sew Copper	939	6,193	6,711	421
Ski Club	105	12	-	117
Soccer Boys	4,853	9,546	10,131	4,269
Soccer Girls	12,489	11,940	15,481	8,948
Softball	1,132	2,041	2,050	1,124
Spanish Club	46	-	-	46
Spanish Honor Society	2,295	480	204	2,571
Speech & Drama	1,621	367	889	1,099
St. Elizabeth Healthcare	2,614	10,000	10,822	1,793
Stadium Revenue	2,457	1,590	365	3,682
Start Up Cash	-	300	300	-
Student Council	8,644	33,362	36,729	5,277
Student Fees	1,967	113,287	112,102	3,152
Swimming	4,219	5,993	4,237	5,975
Table Tennis Club	121	-	-	121
Tennis Boys	384	1,623	1,029	978
Tennis Girls	670	339	1,009	-
Textbook	500	31,896	32,396	-
Track Boys	5,497	2,339	6,667	1,170
Track Girls	3,640	2,377	5,361	655
Vending	224	508	590	141
Vending Faculty	149	837	985	0
Vending Students	54	492	205	340
Volleyball	4,234	13,367	13,096	4,505
WL Exams	5	2,642	2,505	142
Wrestling	2,936	1,793	2,477	2,252
Yearbook	19,257	7,368	2,594	24,030
Total	\$ 323,083	\$ 1,127,124	\$ 1,157,502	\$ 292,706

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Larry A. Ryle School Activity Fund
For the Year Ended June 30, 2023**

	Fund Balance July 1, 2022	Receipts	Disbursements	Fund Balance June 30, 2023
Academic Team	\$ 719	\$ 203	\$ 641	\$ 281
Advanced Multimedia	1,300	280	347	1,233
Agenda	22	1,379	1,396	5
Archery	8,525	14,805	19,530	3,800
Art club	1,802	1,396	1,709	1,489
Art Department	610	-	-	610
Art Honor Society	535	-	370	165
Art Student Fees	95	2,162	2,181	75
Athletic Administration	31,830	80,612	107,222	5,220
Athletic Fees	265	23,073	11,662	11,677
Athletic Gate Clearing	13,488	147,189	137,279	23,398
Baseball	12,320	19,935	24,402	7,853
BiCounty VoAg Scholarship	-	49,169	-	49,169
Biliteracy	40	-	-	40
Bowling	394	3,100	3,456	38
Boys Basketball	10,163	27,977	18,699	19,442
Boys Golf	-	513	310	203
Boys Soccer	34,420	19,619	26,621	27,418
Boys Tennis	25	349	60	314
Boys Track	6,486	18,660	12,853	12,292
Business Department	326	774	808	292
Campus Store	4,555	6,302	6,407	4,450
Cash Advance/Start Up	-	3,950	3,950	-
Cheerleading	2,784	152,597	138,310	17,071
Chickfila Leader Academy	369	1,469	1,235	602
Children, Inc.	500	-	-	500
Choral Music	2,654	2,878	5,184	347
Chorus Student Fees	-	270	255	15
Class of 2023	6,205	18,298	24,503	-
Class of 2024	122	15,426	-	15,547
Cross Country	10,720	20,431	23,092	8,060
Dance Team	2,907	12,068	11,149	3,826
DECA	842	63,926	63,780	988
District Baseball	-	-	-	-
District Soccer	-	2,520	730	1,790
District Softball	-	1,869	1,442	427
Drama	4,786	14,493	19,279	-
English Department	126	-	-	126
English Honor Society	500	1,249	1,126	623
F.B.L.A	3,787	11,023	12,739	2,070
FCCLA	2,816	5,014	4,497	3,333
FCS	4,753	-	992	3,760
FCS Catering	1,595	9,299	10,182	712
FCS Raider Threads	3,607	345	225	3,727
FCS Student Fees	99	1,703	1,712	90
FFA	1,145	13,900	13,925	1,120
Fishing Club	-	-	-	-
FMD Room	6,766	3,670	3,066	7,370
FMD Unified Sports	3,166	2,717	1,758	4,125
Football	225	64,525	59,035	5,714
Football Playoffs	-	2,207	2,207	-
Forensics/Speech & Debate	2,665	4,616	4,960	2,321
French Honor Society	144	360	172	332
Gardening Club	-	400	100	300
General	1,280	11,870	2,330	10,820
General Student Fees	1,559	58,770	59,707	623
German Club	90	280	370	-
German Honor Society	223	590	683	129
Girls Basketball	16,078	29,101	38,181	6,998
Girls District Basketball	-	-	-	-
Girls Golf	1,356	1,989	3,205	140
Girls Soccer	9,855	6,473	6,647	9,681

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Larry A. Ryle School Activity Fund (Continued)
For the Year Ended June 30, 2023**

	Fund Balance July 1, 2022	Receipts	Disbursements	Fund Balance June 30, 2023
Girls Tennis	\$ 257	\$ 116	\$ 175	\$ 198
Girls Track	4,046	-	4,046	-
Glob. Issues Student Fees	11	22	33	-
Guidance Department	31,308	10,291	13,184	28,416
HOSA	797	1,452	1,425	824
INTERalliance Club	125	150	23	252
International Festival	-	2,495	1,546	948
Junior Student Council	-	49,141	35,167	13,974
Key Club	879	585	613	851
Lacrosse	2,499	4,276	3,650	3,124
Library	-	186	186	-
Marching Band	51,356	67,705	86,204	32,857
Math Honor Society	1,445	400	1,005	840
MOS	-	-	-	-
Multicultural Society	154	263	100	317
National Honor Society	5,563	2,835	7,102	1,296
Ocial Smith Award	9,774	-	9,774	-
Odyssey of the Mind	2,158	-	2,158	-
Parking Fees	-	3,758	3,736	23
Photography Club	1,200	450	-	1,650
Physical Education	2,460	12,216	6,828	7,848
Quill & Scroll	-	64	-	64
Raider Alliance Club	271	-	-	271
Raider Nation APP	1,250	-	1,250	-
Regional Bowling	150	2,025	2,175	-
Regional Boys Soccer	-	1,188	1,155	33
Regional Cross Country	-	3,909	3,909	-
Regional Girls Basketball	-	6,190	6,190	-
Regional Girls Soccer	-	1,643	491	1,152
Regional Softball	-	507	240	267
Regional Track	615	-	615	-
Regional Volleyball	-	11,108	11,108	-
Regional Wrestling	-	3,744	3,744	-
SBDM Background Checks	-	123	123	-
Science Department	1,913	6,132	6,706	1,339
Science Honor Society	302	290	476	116
Science Olympiad	200	3,272	2,187	1,285
Science Student Fees	279	13,067	13,249	98
Social Studies	-	-	-	-
Softball	5,416	9,962	13,525	1,853
Sophomore Student Council	-	366	207	159
Spanish Honor Society	-	1,590	1,183	407
SS Honor Society	12	-	12	-
Student Council	18,304	6,220	21,557	2,967
Student Fines	104	1,755	1,334	525
Student Scholarships	51,553	28,951	69,076	11,427
Student Vending	2,597	1,278	3,048	827
Students For Life Club	73	-	-	73
Summer School	143	23,259	19,068	4,334
Swim & Dive Team	2,058	13,463	11,254	4,267
Teacher Vending	73	8,556	5,203	3,425
Textbook Rental	1,051	37,974	38,608	417
TSA	207	4,313	4,520	-
Vo-Ag Student fees	70	419	489	-
Vocational Agriculture	4,139	-	148	3,991
Volleyball	5,021	31,246	26,321	9,946
Workbook/Digital Materials	30	2,505	2,515	20
Wrestling	14,797	21,064	10,964	24,897
Yearbook	7,921	7,457	8,900	6,478
Youth Services Center	84	-	-	84
Total	\$ 454,305	\$ 1,367,767	\$ 1,365,184	\$ 456,887

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
School Activity Funds
For the Year Ended June 30, 2023**

	Fund			Fund
	Balance at			Balance at
Middle Schools	July 1, 2022	Receipts	Expenditures	July 1, 2023
BALLYSHANNON MIDDLE SCHOOL	\$ 36,532	\$ 154,536	\$ (140,168)	\$ 50,900
CAMP ERNST MIDDLE SCHOOL	48,813	197,184	(178,548)	67,449
CONNER MIDDLE SCHOOL	79,044	343,949	(286,166)	136,827
GRAY MIDDLE SCHOOL	89,376	293,799	(311,294)	71,881
JONES MIDDLE SCHOOL	32,695	58,627	(51,142)	40,180
OCKERMAN MIDDLE SCHOOL	48,777	118,517	(119,466)	47,828
Elementary Schools				
BURLINGTON ELEMENTARY SCHOOL	35,420	85,162	(75,127)	45,455
COLLINS ELEMENTARY SCHOOL	18,019	30,676	(34,016)	14,679
ERPENBECK ELEMENTARY SCHOOL	40,942	121,596	(114,431)	48,107
FLORENCE ELEMENTARY SCHOOL	37,530	20,653	(36,617)	21,566
GOODRIDGE ELEMENTARY SCHOOL	102,904	71,523	(71,428)	102,999
KELLY ELEMENTARY SCHOOL	46,689	54,519	(53,107)	48,101
LONGBRANCH ELEMENTARY SCHOOL	11,473	113,215	(111,016)	13,672
NEW HAVEN ELEMENTARY SCHOOL	35,941	102,675	(103,186)	35,430
NORTH POINTE ELEMENTARY SCHOOL	40,655	70,034	(64,530)	46,159
OCKERMAN ELEMENTARY SCHOOL	42,761	39,678	(31,585)	50,854
SHIRLEY MANN ELEMENTARY SCHOOL	12,279	94,379	(93,675)	12,983
STEEPLECHASE ELEMENTARY SCHOOL	6,766	43,492	(38,667)	11,591
STEPHENS ELEMENTARY SCHOOL	11,206	56,211	(53,700)	13,717
THORNWILDE ELEMENTARY SCHOOL	21,768	94,784	(99,371)	17,181
YEALEY ELEMENTARY SCHOOL	14,658	92,503	(92,085)	15,076
	<u>\$ 814,250</u>	<u>\$ 2,257,712</u>	<u>\$ (2,159,325)</u>	<u>\$ 912,637</u>

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	*	*
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*
State's proportionate share of the net pension liability associated with the District	559,612,588	426,121,417	455,108,537	429,864,664	404,018,757	817,224,215	865,705,447	669,277,382	554,477,174	*
Total	\$ 559,612,588	\$ 426,121,417	\$ 455,108,537	\$ 429,864,664	\$ 404,018,757	\$ 817,224,215	\$ 865,705,447	\$ 669,277,382	*	*
District's covered-employee payroll	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	\$ 92,888,014	\$ 87,536,568	\$ 85,576,799	\$ 84,319,614	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	*	*
Plan fiduciary net position as a percentage of the total pension liability	56.41%	65.59%	58.27%	58.76%	59.27%	39.83%	35.22%	42.49%	45.59%	*

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

Changes of benefit terms: A new benefit tier was added for members joining the System on and after January 1, 2022

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

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

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

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

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

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

BOONE COUNTY SCHOOL DISTRICT
Schedule of District Contributions – TRS

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,129,292	\$ 3,985,556	\$ 3,447,968	\$ 3,410,481	\$ 3,208,753	\$ 3,115,028	\$ 3,028,050	\$ 2,880,649	\$ 2,117,192	\$ 1,517,334
Contributions in relation to the contractually required contribution	<u>(4,129,292)</u>	<u>(3,985,556)</u>	<u>(3,447,968)</u>	<u>(3,410,481)</u>	<u>(3,208,753)</u>	<u>(3,115,028)</u>	<u>(3,028,050)</u>	<u>(2,880,649)</u>	<u>(2,117,192)</u>	<u>(1,517,334)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 114,532,838	\$ 110,432,196	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	\$ 92,888,014	\$ 87,536,568	\$ 85,576,799	\$ 84,319,614
Contributions as a percentage of covered-employee payroll	3.61%	3.61%	3.27%	3.30%	3.24%	3.24%	3.26%	3.29%	2.47%	1.80%

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

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of net pension liability	1.134835%	1.175779%	1.183459%	1.056374%	1.046308%	1.061296%	1.058814%	1.053916%	1.050980%	*
District's proportionate share of the net pension liability	\$ 82,037,375	\$ 74,965,134	\$ 90,770,326	\$ 74,295,524	\$ 63,723,346	\$ 62,120,918	\$ 52,131,983	\$ 45,313,405	\$ 34,098,000	*
Total net pension liability	\$ 7,229,013,496	\$ 6,375,784,388	\$ 7,669,917,211	\$ 7,033,044,552	\$ 6,090,304,793	\$ 5,853,307,482	\$ 4,923,618,237	\$ 4,299,525,565	\$ 3,244,377,000	*
District's covered-employee payroll	\$ 31,373,416	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	\$ 25,831,625	\$ 25,264,462	\$ 24,601,259	\$ 24,096,211	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.49%	249.62%	299.50%	278.81%	245.74%	240.48%	206.35%	184.19%	141.51%	*
Plan fiduciary net position as a percentage of the total pension liability	54.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%	*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BOONE COUNTY SCHOOL DISTRICT
Schedule of District Contributions - CERS

Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,883,158	\$ 8,455,606	\$ 7,225,599	\$ 7,292,836	\$ 5,723,896	\$ 4,973,632	\$ 4,825,467	\$ 4,310,381	\$ 4,347,033	\$ 4,551,883
Contributions in relation to the contractually required contribution	<u>(8,883,158)</u>	<u>(8,455,606)</u>	<u>(7,225,599)</u>	<u>(7,292,836)</u>	<u>(5,723,896)</u>	<u>(4,973,632)</u>	<u>(4,825,467)</u>	<u>(4,310,381)</u>	<u>(4,347,033)</u>	<u>(4,551,883)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$33,158,494	\$31,373,416	\$30,031,586	\$30,306,885	\$26,647,709	\$25,931,627	\$25,831,625	\$25,264,462	\$24,601,259	\$24,096,211
Contributions as a percentage of of covered-employee payroll	26.79%	26.95%	24.06%	24.06%	21.48%	19.18%	18.68%	17.06%	17.67%	18.89%

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

BOONE COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective trust OPEB liability	0%	0%	0%	0%	0%	0%	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	967,000	404,000	1,050,000	920,000	815,000	622,000	*	*	*	*
Total net OPEB liability	\$ 967,000	\$ 404,000	\$ 1,050,000	\$ 920,000	\$ 815,000	\$ 622,000	*	*	*	*
District's covered-employee payroll	\$ 110,432,196	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	\$ 92,888,014	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	73.97%	89.15%	71.57%	73.40%	74.97%	79.99%	*	*	*	*

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

Changes of benefit terms - None.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2022:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	25 Years
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	7.50%

BOONE COUNTY SCHOOL DISTRICT

Schedule of District Contributions - LIF

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	-	*	*	*	*	*
Contribution deficiency	-	-	-	-	-	*	*	*	*	*
District's covered-employee payroll	\$ 114,532,838	\$ 110,432,196	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*	*

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

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective trust OPEB liability	2.382705%	1.742229%	1.717691%	1.675586%	1.588400%	2.850100%	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 59,151,000	\$ 37,383,000	\$ 43,350,000	\$ 49,041,000	\$ 55,113,000	\$ 56,846,000	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 19,432,000	\$ 30,360,000	\$ 34,725,000	\$ 39,604,000	\$ 47,496,000	\$ 46,435,000	*	*	*	*
Total net OPEB liability	\$ 78,583,000	\$ 67,743,000	\$ 78,075,000	\$ 88,645,000	\$ 102,609,000	\$ 103,281,000	*	*	*	*
District's covered-employee payroll	\$ 31,373,416	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	\$ 25,831,625	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	188.5%	124.5%	143.0%	184.0%	212.5%	220.1%	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	47.75%	51.74%	39.05%	32.58%	25.54%	21.18%	*	*	*	*

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

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

BOONE COUNTY SCHOOL DISTRICT
Schedule of District Contributions - MIF

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,161,549	\$ 3,092,469	\$ 3,033,561	\$ 2,917,651	\$ 2,829,440	\$ 2,731,340	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(3,161,549)</u>	<u>(3,092,469)</u>	<u>(3,033,561)</u>	<u>(2,917,651)</u>	<u>(2,829,440)</u>	<u>(2,731,340)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Contribution deficiency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
District's covered-employee payroll	\$33,158,494	\$31,373,416	\$30,031,586	\$30,306,885	\$26,647,709	\$25,931,627	*	*	*	*
Contributions as a percentage of of covered-employee payroll	9.53%	9.86%	10.10%	9.63%	10.62%	10.53%	*	*	*	*

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

Changes of benefit terms - None

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

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective trust OPEB liability	1.134645%	1.175504%	1.183132%	1.056109%	1.044627%	1.061296%	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 22,392,374	\$ 22,504,436	\$ 28,569,040	\$ 17,763,278	\$ 18,576,280	\$ 21,335,680	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*	*
Total net OPEB liability	\$ 22,392,374	\$ 22,504,436	\$ 28,569,040	\$ 17,763,278	\$ 18,576,280	\$ 21,335,680	*	*	*	*
District's covered-employee payroll	\$ 31,373,416	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	\$ 25,831,625	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	71.4%	74.9%	94.3%	66.7%	71.6%	82.6%	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	57.33%	51.67%	60.44%	57.62%	52.40%	*	*	*	*

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

Changes in assumptions: None

2018: Updated health care trend rates were implemented.

BOONE COUNTY SCHOOL DISTRICT

Schedule of District Contributions – MIF (CERS)

	Last 10 Fiscal Years*										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,308,584	\$ 1,429,544	\$ 1,442,975	\$ 1,401,604	\$ 1,218,835	\$ 1,222,231	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(1,308,584)</u>	<u>(1,429,544)</u>	<u>(1,442,975)</u>	<u>(1,401,604)</u>	<u>(1,218,835)</u>	<u>(1,222,231)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Contribution deficiency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
District's covered-employee payroll	\$ 33,158,494	\$ 31,373,416	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	3.95%	4.56%	4.80%	4.62%	4.57%	4.71%	*	*	*	*	*

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

BOONE COUNTY SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agreement Number</u>	<u>Federal Expenditures for FYE June 30, 2023</u>
U.S. Department of Education			
<i>Passed through Kentucky Department of Education</i>			
Special Education Cluster			
Special Education_Grants to States	84.027	3810002 21	\$ 5,235
Special Education_Grants to States	84.027	3810002 22	2,941,064
Special Education_Grants to States	84.027	3810002 23	616,060
COVID-19 Special Education_Grants to States	84.027X	4910002-21	591,635
Special Education_Preschool Grants	84.173	3800002 22	95,589
Special Education_Preschool Grants	84.173	3800002 23	78,234
COVID-19 Special Education_Preschool Grants	84.173X	4900002-21	11,195
Total Special Education Cluster			<u>4,339,012</u>
Title I Grants to Local Educational Agencies	84.010A	3100002 20	11,199
Title I Grants to Local Educational Agencies	84.010A	3100002 21	139,078
Title I Grants to Local Educational Agencies	84.010A	3100002 22	699,466
Title I Grants to Local Educational Agencies	84.010A	3100002 23	1,812,675
Title I School Improvement Funds	84.010A	3100202 20	97,068
Title I School Improvement Funds	84.010A	3100202 21	28,861
Title I School Improvement Funds	84.010A	3100202 23	127,583
Total ALN #84.010			<u>2,915,930</u>
Career and technical Education -Basic Grants to States	84.048	3710002 21	29,015
Career and technical Education -Basic Grants to States	84.048	3710002 22	9,267
Career and technical Education -Basic Grants to States	84.048	3710002 23	153,727
Total ALN #84.048			<u>192,009</u>
English Language Acquisition State Grants	84.365	3300002 20	1
English Language Acquisition State Grants	84.365	3300002 21	10,536
English Language Acquisition State Grants	84.365	3300002 22	129,215
Total ALN #84.365			<u>139,752</u>
Title II Improving Teacher Quality State Grants	84.367	3230002 20	3,078
Title II Improving Teacher Quality State Grants	84.367	3230002 21	289,990
Title II Improving Teacher Quality State Grants	84.367	3230002 22	366,653
Title II Improving Teacher Quality State Grants	84.367	3230002 23	16,447
Total ALN #84.367			<u>676,168</u>
COVID-19 CRSSA Sustainment Funds	93.575	Not provided	46,865
COVID-19 CARES Child Care Development Fund Start Up Stipend	93.575	Not provided	6,000
Total ALN #93.575			<u>52,865</u>
COVID-19 Governor's Emergency Education Relief Fund	84.425C	CARE 20	83,470
COVID-19 GEER - FRYSC Projects	84.425C	Not provided	156,162
COVID-19 Digital Learning Coaches	84.425D	4000003-21	18,894
COVID-19 Digital Learning Coaches	84.425D	4000003-22	8,920
COVID-19 FY21 Elementary & Secondary School Emergency Relief Fund II	84.425D	4200002 21	873,314
COVID-19 FY21 Elementary & Secondary School Emergency Relief Fund II-State Set Aside	84.425D	4200003-21	953,439
COVID-19 FY21 American Rescue Plan Elementary & Secondary School	84.425U	4300002-21	4,647,840
COVID-19 FY22 American Relief Plan - Homelessness Childrens & Youth Phase II	84.425W	4980002-21	3,301
COVID-19 FY22 Kentucky Virtual Library	84.425U	4300003-21	19,862
COVID-19 MOA-Comprehensive Coord.School Counselor	84.425U	Not provided	124,782
Total ALN #84.425			<u>6,889,984</u>
Promoting Adolescent Health	93.079	Not provided	2,599
ARP For Museums and Libraries	45.312	Not provided	5,880
Total U.S. Department of Education			<u>15,214,199</u>

BOONE COUNTY SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agreement Number	Federal Expenditures for FYE June 30, 2023
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
<i>Passed through Kentucky Department of Education</i>			
National School Lunch Program	10.555	7750002 22	1,923,434
National School Lunch Program	10.555	7750002 23	4,975,512
National School Lunch Program	10.555	9980000 22	517,866
National School Lunch Program	10.555	9980000 23	228,170
School Breakfast Program	10.553	7760005 22	528,225
School Breakfast Program	10.553	7760005 23	1,353,130
Summer Food Service Program for Children	10.559	7690024 21	8,695
Warehouse & Storage & Distribution	10.560	7700001 22	1,469
Summer Food Service Program for Children	10.649	9990000 22	5,950
			<hr/> 9,542,451
<i>Passed through Kentucky Department of Agriculture</i>			
National School Lunch Program - Food Donation	10.555	Not provided	498,195
Total Child Nutrition Cluster			<hr/> 10,040,646
Total U.S. Department of Agriculture			<hr/> 10,040,646
Total Expenditures of Federal Awards			<hr/> \$ 25,254,845 <hr/>

BOONE COUNTY SCHOOL DISTRICT

**Notes Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Boone County School District under programs of the federal government for the year ended June 30, 2023 and is reported on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of Boone County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2023, the District reported food commodities expended in the amount of \$498,195.

NOTE 4 INDIRECT COST RATE

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

NOTE 5 SUBRECIPIENTS

The District did not have any subrecipients during the year ended June 30, 2023.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Boone County School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Boone County School District's basic financial statements, and have issued our report thereon dated November 14, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boone County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-01.

We noted other matters that we reported to management of the District on pages 84 to 92.

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

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Boone County School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Boone County School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, we express no opinion on the response.

Purpose of this Report

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

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
November 14, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boone County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Boone County School District's major federal programs for the year ended June 30, 2023. Boone County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Boone County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Boone County School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Boone County School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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



Crestview Hills, Kentucky
November 14, 2023

BOONE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

SECTION I -SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs

CFDA No.	Name of Federal Program or Cluster
84.027/84.173 84.425	Special Education Cluster Education Stabilization Fund

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

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

BOONE COUNTY SCHOOL DISTRICT

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023**

SECTION II – FINANCIAL STATEMENT FINDINGS

2023-01: Internal controls over time cards

Criteria – Time cards should be accurately prepared by employees and adequate oversight provided by supervisors and managers of all departments to ensure that work time is reported accurately.

Condition – It came to our attention that some work time on time cards from the transportation department were overstated and some were not signed or reviewed by a supervisor.

Effect – Time worked was not accurately reported and therefore pay of salaries and benefits were not accurate in some instances.

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

Recommendation – We recommend that all time cards be reviewed by a supervisor or manager for accuracy of time worked and those supervisors or managers should authorize/sign the time cards to note approval of time. Employees should be trained on filling out time cards and policies of time worked should be provided to the employees.

Board Response – The new transportation department director is taking measure to ensure that time is reporting accurately and all time cards are authorized and reviewed appropriately.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2023**

SECTION I – SUMMARY OF PRIOR YEAR AUDITOR’S RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

Management Letter Comments Year Ended June 30, 2023

In planning and performing our audit of the financial statements of Boone County School District for the year ended June 30, 2023, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

This letter summarizes our comments and suggestions regarding those matters. A separate report dated November 14, 2023 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated November 14, 2023, on the financial statements of the Boone County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Boone County High School

2023-01: Invoices not marked paid

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

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

Effect – Proper procedures over reporting were not properly followed.

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

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

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

Conner High School

No matters are reportable

Cooper High School

No matters are reportable

Larry A. Ryle High School

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2023**

CURRENT YEAR RECOMMENDATIONS (Continued)

Boone County Adult High School

No matters are reportable

Ballyshannon Middle School

No matters are reportable

Camp Ernst Middle School

2023-02: Invoices not marked paid

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

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

Effect – Proper procedures over reporting were not properly followed.

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

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

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

Conner Middle School

No matters are reportable

Gray Middle School

No matters are reportable

Ockerman Middle School

No matters are reportable

R.A. Jones Middle School

No matters are reportable

Burlington Elementary

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2023**

CURRENT YEAR RECOMMENDATIONS (Continued)

Collins Elementary

No matters are reportable

Erpenbeck Elementary

2023-03: Negative account balance

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

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

Effect – Proper procedures over reporting were not properly followed.

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

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

Board Response – The school bookkeeper and the principal will review all accounts at fiscal year end and make transfers as necessary to ensure there are not any negative account balances.

Florence Elementary

2023-04: Invoices not marked paid

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

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

Effect – Proper procedures over reporting were not properly followed.

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

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

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

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2023**

CURRENT YEAR RECOMMENDATIONS (Continued)

Florence Elementary (Continued)

2023-05: Signature lines removed from voided checks

Criteria – Per best practices recommended by the Kentucky Department of Education, signature lines on checks that are voided should be removed.

Condition – During the testing of Activity Funds, it was noted voided checks did not have the signature lines removed as required by Redbook Guidelines.

Effect – Proper procedures over reporting were not properly followed.

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

Recommendation – We recommend that all voided checks get the signature lines cut out of them per Redbook Guidelines that were established by the Kentucky Department of Education.

Board Response – The school bookkeeper will remove signature lines from any voided checks moving forward.

Goodridge Elementary

No matters are reportable

Charles H. Kelly Elementary

No matters are reportable

Longbranch Elementary

No matters are reportable

Shirley Mann Elementary

No matters are reportable

New Haven Elementary

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2023**

CURRENT YEAR RECOMMENDATIONS (Continued)

North Pointe Elementary

2023-06: Long outstanding checks

Criteria – Per best practices recommended by the Kentucky Department of Education, outstanding check should not be carried longer than 12 months

Condition – During the testing of Activity Funds, it was noted that there were outstanding check carried longer than 12 months.

Effect – Proper procedures over reporting were not properly followed.

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

Recommendation – We recommend that the school bookkeeper and principal review all outstanding checks on a regular basis to ensure that there are no outstanding checks carried longer than 12 months.

Board Response – The school bookkeeper will review outstanding checks on a monthly basis and follow up/void those checks that are over a year old.

Ockerman Elementary

No matters are reportable

Stephens Elementary

2023-07: Long outstanding checks

Criteria – Per best practices recommended by the Kentucky Department of Education, outstanding check should not be carried longer than 12 months

Condition – During the testing of Activity Funds, it was noted that there were outstanding check carried longer than 12 months.

Effect – Proper procedures over reporting were not properly followed.

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

Recommendation – We recommend that the school bookkeeper and principal review all outstanding checks on a regular basis to ensure that there are no outstanding checks carried longer than 12 months.

Board Response – The school bookkeeper will review outstanding checks on a monthly basis and follow up/void those checks that are over a year old.

Thornwilde Elementary

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2023**

CURRENT YEAR RECOMMENDATIONS (Continued)

Yealey Elementary

2023-08: Negative account balance

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

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

Effect – Proper procedures over reporting were not properly followed.

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

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

Board Response – The school bookkeeper and the principal will review all accounts at fiscal year end and make transfers as necessary to ensure there are not any negative account balances.

Steeplechase Elementary

No matters are reportable

FOOD SERVICE DEPARTMENT

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2023**

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Boone County High School

No matters are reportable

Conner High School

No matters are reportable

Cooper High School

Statement of prior year deficiency: It was noted multiple receipt forms were not being signed by students.

Current year follow-up: No such instances noted

Larry A. Ryle High School

No matters are reportable

Boone County Adult High School

No matters are reportable

Ballyshannon Middle School

No matters are reportable

Camp Ernst Middle School

No matters are reportable

Conner Middle School

Statement of prior year deficiency: It was noted multiple receipt forms were not being signed by students.

Current year follow-up: No such instances noted

Statement of prior year deficiency: It was noted the school activity fund had a negative balance at the end of last year.

Current year follow-up: No such instances noted

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2023**

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Gray Middle School

Statement of prior year deficiency: It was noted multiple receipt forms were not being signed by students.

Current year follow-up: No such instances noted

Statement of prior year deficiency: It was noted that invoices for disbursements were not being marked paid.

Current year follow-up: No such instances noted

Ockerman Middle School

Statement of prior year deficiency: It was noted that monthly financial reports were filed more than 15 days after the end of the month.

Current year follow-up: No such instances noted

R.A. Jones Middle School

No matters are reportable

Burlington Elementary

Statement of prior year deficiency: It was noted multiple receipt forms were not being signed by students.

Current year follow-up: No such instances noted

Collins Elementary

Statement of prior year deficiency: It was noted that monthly financial reports were filed more than 15 days after the end of the month.

Current year follow-up: No such instances noted

Erpenbeck Elementary

No matters are reportable

Florence Elementary

No matters are reportable

Goodridge Elementary

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2023**

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Charles H. Kelly Elementary

No matters are reportable

Longbranch Elementary

No matters are reportable

Shirley Mann Elementary

No matters are reportable

New Haven Elementary

No matters are reportable

North Pointe Elementary

No matters are reportable.

Ockerman Elementary

No matters are reportable

Stephens Elementary

No matters are reportable

Thornwilde Elementary

No matters are reportable

Yealey Elementary

Statement of prior year deficiency: It was noted that monthly financial reports were filed more than 15 days after the end of the month.

Current year follow-up: No such instances noted

Statement of prior year deficiency: It was noted the school activity fund had a negative balance at the end of last year.

Current year follow-up: See item 2023-08.

FOOD SERVICE DEPARTMENT

No matters are reportable