

Boone County School District

**Financial Statements
With Supplementary Information
Year Ended June 30, 2025
With Independent Auditors' Report**

BOONE COUNTY SCHOOL DISTRICT

June 30, 2025

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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, 2025, 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, 2025, 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 Auditors' 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.

Effect of Adopting New Accounting Standard

As discussed in Note 17 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, effective as of July 1, 2024. The implementation of this accounting standard resulted in a restatement of prior year net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the District recorded a prior period adjustment as a correction of error for assets that were miscalculated in prior years. Our opinion is not modified with respect to this matter.

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.

**Independent Auditors' Report
(Continued)**

Responsibilities of Management for the Financial Statements (Continued)

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.

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 auditors' 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.

**Independent Auditors' Report
(Continued)**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on pages 4-8, 52-55, and 66-75 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boone County School District's basic financial statements. The information on pages 50-51, 56, 57-64, and 76-77 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 50-51, 56, 57-64, and 76-77 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 50-51, 56, 57-64, and 76-77 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 February 24, 2026 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.



Crestview Hills, Kentucky
February 24, 2026

BOONE COUNTY SCHOOL DISTRICT

**Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

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, 2025. 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 20,918 students in the 2024-25 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.

The General Fund recognized \$193 million in revenue consisting primarily of local property, occupational license, utilities, and motor vehicle taxes and the state program (SEEK) allocation. An additional \$62 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.

2024-2025	\$10,177
2023-2024	\$10,039
2022-2023	\$9,906

The District administered over \$23 million in Federal, State and local grants and other programs during the year. An additional \$10.6 million was administered in the Child Nutrition programs.

The state’s guaranteed base level of support (SEEK) was \$4,326 per pupil. Funding for Boone County Schools, after adjustments and local effort, was adjusted to \$2,495 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 \$4,295.

Boone County Board of Education recognized \$12.5 million in utility taxes and \$23 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 \$256 million. Salaries and related costs total \$219 million of the general operating expenditures. Included in this amount is \$62.3 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, 2025 (Continued)

FINANCIAL HIGHLIGHTS (CONTINUED)

As of the year ended June 30, 2025, 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 50 of this report.

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025
(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 \$214,632,754 as of June 30, 2025.

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, 2025 and 2024

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

	<u>2025</u>	<u>2024</u>
Current assets	\$ 155,920,219	\$ 167,266,973
Noncurrent assets	<u>370,055,751</u>	<u>352,178,184</u>
Total assets	<u>525,975,970</u>	<u>519,445,157</u>
Deferred outflows	<u>44,185,874</u>	<u>58,812,905</u>
Current liabilities	34,381,939	33,354,400
Noncurrent liabilities	<u>258,674,028</u>	<u>290,053,231</u>
Total liabilities	<u>293,055,967</u>	<u>323,407,631</u>
Deferred inflows	<u>62,473,123</u>	<u>75,465,546</u>
Net position		
Investment in capital assets (net of debt)	196,938,578	161,078,149
Restricted	(28,845,026)	(31,304,551)
Unrestricted	<u>46,539,202</u>	<u>49,611,287</u>
Total net position	<u>\$ 214,632,754</u>	<u>\$ 179,384,885</u>

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025
(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, 2025, were \$255,077,469, net of inter-fund transfers and sale of assets, of \$1,018,199 and \$55,162, respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$5,553,455 greater than budget or approximately 2.22% of General Fund Budget.
- General Fund actual expenditures were \$244,441,801, net of inter-fund transfers of \$11,722,251.
- General Fund actual expenditures were less than budgeted expenditures by \$37,349,099.

Capital Assets and Long-Term Debt Activity (in thousands)

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Governmental				
Capital assets	\$ 608,917	\$ 36,665	\$ 4,234	\$ 641,348
Accumulated depreciation	257,250	16,668	2,080	271,838
Business-type				
Capital assets	5,524	70	-	5,594
Accumulated depreciation	4,921	127	-	5,048
Bonds payable	\$ 191,704	\$ -	\$ 18,189	\$ 173,515

BOONE COUNTY SCHOOL DISTRICT

**Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025
(Continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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

	<u>2025</u>	<u>2024</u>
Revenues		
Program revenues		
Charges for services	\$ 3,213,204	\$ 3,576,373
Operating grants	<u>32,919,886</u>	<u>36,155,429</u>
Total grant revenues	<u>36,133,090</u>	<u>39,731,802</u>
General Revenues		
Taxes	174,620,557	166,998,094
Grants and entitlements	143,912,075	150,985,698
Earnings on investments	7,290,947	5,824,160
Miscellaneous	<u>(5,302,860)</u>	<u>(4,472,605)</u>
Total general revenues	<u>320,520,719</u>	<u>319,335,347</u>
Total revenues	<u>356,653,809</u>	<u>359,067,149</u>
Expenses		
Instructional	172,542,208	183,875,478
Student support services	20,325,408	19,138,304
Staff support	12,948,407	12,793,211
District administration	8,503,895	8,555,558
School administration	18,945,525	18,360,963
Business support	6,962,666	7,441,149
Plant operations	32,380,994	31,077,609
Student transportation	18,243,798	17,438,658
Central office	27,415	23,265
Food service operation	13,807,944	12,738,839
Day care	227,521	159,030
Other	5,194,340	2,837,514
Interest on long-term debt	<u>5,975,925</u>	<u>5,610,428</u>
Total expenses	<u>316,086,046</u>	<u>320,050,006</u>
Change in net position	<u>\$ 40,567,763</u>	<u>\$ 39,017,143</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. The District adopted a budget with \$15,892,609 in contingency (5.4%). The cash balance for the beginning of the fiscal year was \$147,363,951.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Questions regarding this report should be directed to Dr. Jeff Hauswald, Superintendent (859) 283-1003 or to his representative Mr. Daryl Denham, Finance Officer (859) 283-1003 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, 2025**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and cash equivalents	\$ 134,894,932	\$ 11,414,838	\$ 146,309,770
Accounts receivable	8,638,845	24,513	8,663,358
Internal balances	1,291,376	(1,291,376)	-
Prepaid expenses	815,145	-	815,145
Inventories for consumption	-	131,946	131,946
Total current	<u>145,640,298</u>	<u>10,279,921</u>	<u>155,920,219</u>
Noncurrent:			
Construction in progress	51,101,381	-	51,101,381
Nondepreciated capital assets:			
Land	13,720,372	-	13,720,372
Depreciated capital assets:			
Land improvements	24,878,839	-	24,878,839
Buildings and improvements	501,612,495	76,617	501,689,112
Furniture and equipment	50,035,758	5,517,103	55,552,861
Less: accumulated depreciation	<u>(271,838,382)</u>	<u>(5,048,432)</u>	<u>(276,886,814)</u>
Total noncurrent	<u>369,510,463</u>	<u>545,288</u>	<u>370,055,751</u>
Total assets	<u>515,150,761</u>	<u>10,825,209</u>	<u>525,975,970</u>
Deferred outflows	<u>43,042,794</u>	<u>1,143,080</u>	<u>44,185,874</u>
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	18,648,660	-	18,648,660
Accounts payable	3,114,705	-	3,114,705
Accrued interest	1,211,176	-	1,211,176
Accrued compensated absences	4,009,895	-	4,009,895
Accrued payroll and related expenses	5,333,477	-	5,333,477
Unearned revenues	<u>2,064,026</u>	<u>-</u>	<u>2,064,026</u>
Total current	<u>34,381,939</u>	<u>-</u>	<u>34,381,939</u>
Noncurrent:			
Accrued compensated absences	4,175,033	65,547	4,240,580
MIF net OPEB liability	33,293,799	899,309	34,193,108
CERS net pension liability	63,336,765	1,710,809	65,047,574
Bond obligations	<u>155,192,766</u>	<u>-</u>	<u>155,192,766</u>
Total noncurrent	<u>255,998,363</u>	<u>2,675,665</u>	<u>258,674,028</u>
Total liabilities	<u>290,380,302</u>	<u>2,675,665</u>	<u>293,055,967</u>
Deferred inflows	<u>60,830,024</u>	<u>1,643,099</u>	<u>62,473,123</u>
Net Position			
Invested in capital assets, net of related debt	196,393,290	545,288	196,938,578
Restricted	(35,949,263)	7,104,237	(28,845,026)
Unrestricted	<u>46,539,202</u>	<u>-</u>	<u>46,539,202</u>
Total net position	<u>\$ 206,983,229</u>	<u>\$ 7,649,525</u>	<u>\$ 214,632,754</u>

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT

**Statement of Activities – District Wide
For Year Ended June 30, 2025**

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	\$ 172,542,208	\$ -	\$ 15,822,240	\$ -	\$ (156,719,968)	\$ -	\$ (156,719,968)
Student support services	20,325,408	-	863,094	-	(19,462,314)	-	(19,462,314)
Staff support services	12,948,407	-	2,056,348	-	(10,892,059)	-	(10,892,059)
District administration	8,503,895	-	-	-	(8,503,895)	-	(8,503,895)
School administration	18,945,525	-	-	-	(18,945,525)	-	(18,945,525)
Business support services	6,962,666	-	436,968	-	(6,525,698)	-	(6,525,698)
Plant operation and maintenance	32,380,994	-	399,439	-	(31,981,555)	-	(31,981,555)
Student transportation	18,243,798	-	376,832	-	(17,866,966)	-	(17,866,966)
Central office	27,415	-	-	-	(27,415)	-	(27,415)
Food service operations	17,480	-	-	-	(17,480)	-	(17,480)
Day care operations	900	-	900	-	-	-	-
Community service operations	2,122,720	-	1,456,904	-	(665,816)	-	(665,816)
Facility acquisition and construction	3,053,240	-	-	-	(3,053,240)	-	(3,053,240)
Other	-	-	-	-	-	-	-
Interest on long-term debt	5,975,925	-	-	-	(5,975,925)	-	(5,975,925)
Total governmental activities	302,050,581	-	21,412,725	-	(280,637,856)	-	(280,637,856)
Business-type activities							
Food service	13,807,944	3,213,204	11,453,835	-	-	859,095	859,095
Daycare	227,521	-	53,326	-	-	(174,195)	(174,195)
Total business-type activities	14,035,465	3,213,204	11,507,161	-	-	684,900	684,900
Total school district	\$ 316,086,046	\$ 3,213,204	\$ 32,919,886	\$ -	(280,637,856)	684,900	(279,952,956)
General revenues:							
					174,620,557	-	174,620,557
					143,912,075	-	143,912,075
					6,953,346	337,601	7,290,947
					(5,540,313)	182,291	(5,358,022)
					55,162	-	55,162
					690,402	(690,402)	-
					320,691,229	(170,510)	320,520,719
					40,053,373	514,390	40,567,763
					168,881,627	7,135,135	176,016,762
					(1,951,771)	-	(1,951,771)
					\$ 206,983,229	\$ 7,649,525	\$ 214,632,754

The accompanying notes are an integral part of these financial statements

BOONE COUNTY SCHOOL DISTRICT
Balance Sheet – Governmental Funds
As of June 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Current:						
Cash and cash equivalents	\$ 71,379,568	\$ 1,973,235	\$ 57,002,362	\$ -	\$ 4,539,767	\$ 134,894,932
Interfund receivable	2,564,621	-	-	-	-	2,564,621
Accounts receivable	5,724,552	1,641,378	-	-	1,272,915	8,638,845
Prepaid expenses	815,145	-	-	-	-	815,145
Total assets	<u>\$ 80,483,886</u>	<u>\$ 3,614,613</u>	<u>\$ 57,002,362</u>	<u>\$ -</u>	<u>\$ 5,812,682</u>	<u>\$ 146,913,543</u>
Liabilities and Fund Balances						
Liabilities						
Current:						
Accounts payable	\$ 134,077	\$ 95,218	\$ 2,870,132	\$ -	\$ 15,278	\$ 3,114,705
Unearned revenue	-	2,064,026	-	-	-	2,064,026
Interfund payable	-	-	-	-	1,273,245	1,273,245
Accrued payroll and related expenses	5,333,477	-	-	-	-	5,333,477
Total liabilities	<u>5,467,554</u>	<u>2,159,244</u>	<u>2,870,132</u>	<u>-</u>	<u>1,288,523</u>	<u>11,785,453</u>
Fund Balances						
Restricted:						
Capital projects	-	-	54,132,230	-	-	54,132,230
Debt service	-	-	-	-	291,734	291,734
Grants	-	1,455,369	-	-	-	1,455,369
Other	-	-	-	-	4,232,425	4,232,425
Committed:						
Other	1,258,281	-	-	-	-	1,258,281
Assigned:						
Site based carryforward	1,508,555	-	-	-	-	1,508,555
Purchase obligations	4,660,574	-	-	-	-	4,660,574
New school openings	10,653,616	-	-	-	-	10,653,616
Future land purchase	1,000,000	-	-	-	-	1,000,000
Unassigned	55,935,306	-	-	-	-	55,935,306
Total fund balances	<u>75,016,332</u>	<u>1,455,369</u>	<u>54,132,230</u>	<u>-</u>	<u>4,524,159</u>	<u>135,128,090</u>
Total liabilities and fund balances	<u>\$ 80,483,886</u>	<u>\$ 3,614,613</u>	<u>\$ 57,002,362</u>	<u>\$ -</u>	<u>\$ 5,812,682</u>	<u>\$ 146,913,543</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, 2025**

Total governmental fund balance		\$ 135,128,090
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	51,101,381	
Cost of capital assets	590,247,464	
Accumulated depreciation	<u>(271,838,382)</u>	369,510,463
Deferred outflows related to CERS	7,512,170	
Deferred outflows for CERS contributions made after the measurement date	6,917,658	
Deferred outflows for MIF contributions made after the measurement date	3,272,441	
Deferred outflows related to MIF	24,616,272	
Deferred outflows for bond refinancing	<u>724,253</u>	43,042,794
Deferred inflows related to CERS	(13,735,904)	
Deferred inflows related to MIF	<u>(47,094,120)</u>	(60,830,024)
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		(173,515,098)
Bond premiums		(326,328)
Accrued interest on bonds		(1,211,176)
Net pension liability		(63,336,765)
Net OPEB liability		(33,293,799)
Accrued compensated absences		<u>(8,184,928)</u>
Total net position - governmental		<u>\$ 206,983,229</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, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes	\$ 140,513,013	\$ -	\$ -	\$ 34,107,544	\$ -	\$ 174,620,557
Earnings on investments	4,046,451	-	2,844,118	-	62,777	6,953,346
State sources	108,186,535	6,573,318	-	151,279	4,014,089	118,925,221
Federal sources	1,057,009	14,004,454	-	-	874,664	15,936,127
Other sources	913,898	834,953	1,797	-	7,621,567	9,372,215
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	254,716,906	21,412,725	2,845,915	34,258,823	12,573,097	325,807,466
Expenditures						
Instructional	141,626,532	14,664,536	-	-	8,677,081	164,968,149
Student support services	18,796,014	863,094	-	-	646,852	20,305,960
Staff support services	9,841,104	2,056,348	-	-	1,043,467	12,940,919
District administration	8,494,234	-	-	-	-	8,494,234
School administration	18,049,411	-	-	-	886,775	18,936,186
Business support services	6,470,026	436,968	-	-	-	6,906,994
Plant operation and maintenance	22,666,375	399,439	-	-	1,011,705	24,077,519
Student transportation	17,621,126	376,832	-	-	(8,943)	17,989,015
Central office	-	-	-	-	27,415	27,415
Food service operation	17,480	-	-	-	-	17,480
Day care operations	-	900	-	-	-	900
Community service operations	626,470	1,456,904	-	-	38,519	2,121,893
Facility acquisition and construction	36,245	-	34,117,583	-	-	34,153,828
Debt service:						
Principal	-	-	-	-	18,188,660	18,188,660
Interest	-	-	-	-	6,253,992	6,253,992
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	244,245,017	20,255,021	34,117,583	-	36,765,523	335,383,144
Excess (deficit) of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,471,889	1,157,704	(31,271,668)	34,258,823	(24,192,426)	(9,575,678)
Other financing sources (uses)						
Proceeds from sale of assets	55,162	-	-	-	-	55,162
Other items	-	145,385	-	-	-	145,385
Operating transfers in	1,018,199	554,001	29,358,306	-	27,872,272	58,802,778
Operating transfers out	(12,221,182)	(1,285,033)	-	(40,205,875)	(4,400,286)	(58,112,376)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(11,147,821)	(585,647)	29,358,306	(40,205,875)	23,471,986	890,949
Net change in fund balance	(675,932)	572,057	(1,913,362)	(5,947,052)	(720,440)	(8,684,729)
Fund balance, July 1, 2024	75,692,264	883,312	56,045,592	5,947,052	5,244,599	143,812,819
Fund balance, June 30, 2025	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 75,016,332	\$ 1,455,369	\$ 54,132,230	\$ -	\$ 4,524,159	\$ 135,128,090

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, 2025**

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

Net changes-governmental funds \$ (8,684,729)

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

Depreciation expense	(16,668,647)	
Capital outlays	34,511,468	
Retirement of capital assets	<u> -</u>	
		17,842,821

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.

Bond principal paid		18,188,660
Amortization of bond refinancing		(246,367)
Amortization of bond premium		40,569

Deferred outflows related to pensions		(4,942,342)
Deferred outflows related to other post-retirement employee benefits		(9,074,820)

Deferred inflows related to pensions		2,498,312
Deferred inflows related to other post-retirement employee benefits		10,171,605

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.

14,259,664

Changes in net position of governmental activities \$ 40,053,373

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, 2025**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Assets			
Current			
Cash and cash equivalents	\$ 11,384,685	\$ 30,153	\$ 11,414,838
Interfund receivable	49,480	-	49,480
Accounts receivable	24,513	-	24,513
Inventories for consumption	131,946	-	131,946
Total current	<u>11,590,624</u>	<u>30,153</u>	<u>11,620,777</u>
Noncurrent			
Buildings and Improvements	76,617	-	76,617
Furniture and Fixtures	5,517,103	-	5,517,103
Less: accumulated depreciation	<u>(5,048,432)</u>	<u>-</u>	<u>(5,048,432)</u>
Total noncurrent	<u>545,288</u>	<u>-</u>	<u>545,288</u>
Total assets	<u>12,135,912</u>	<u>30,153</u>	<u>12,166,065</u>
Deferred outflows	<u>1,109,943</u>	<u>33,137</u>	<u>1,143,080</u>
Liabilities and Net Position			
Liabilities			
Current			
Interfund payable	1,340,856	-	1,340,856
Total current	<u>1,340,856</u>	<u>-</u>	<u>1,340,856</u>
Noncurrent			
MIF net OPEB liability	873,239	26,070	899,309
CERS net pension liability	1,661,214	49,595	1,710,809
Accumulated sick leave	64,000	1,547	65,547
Total noncurrent	<u>2,598,453</u>	<u>77,212</u>	<u>2,675,665</u>
Total liabilities	<u>3,939,309</u>	<u>77,212</u>	<u>4,016,521</u>
Deferred inflows	<u>1,595,467</u>	<u>47,632</u>	<u>1,643,099</u>
Net Position			
Invested in assets, net of debt	545,288	-	545,288
Restricted	7,165,791	(61,554)	7,104,237
Total net position	<u>\$ 7,711,079</u>	<u>\$ (61,554)</u>	<u>\$ 7,649,525</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, 2025**

	<u>Food Service</u>	<u>Daycare Fund</u>	<u>Total</u>
Operating revenues			
Lunchroom sales	\$ 3,213,204	\$ -	\$ 3,213,204
Other operating revenues	26,617	155,674	182,291
Total operating revenues	<u>3,239,821</u>	<u>155,674</u>	<u>3,395,495</u>
Operating expenses			
Salaries and benefits	6,380,718	213,625	6,594,343
Contract services	361,582	225	361,807
Materials and supplies	6,915,720	13,646	6,929,366
Depreciation	127,914	-	127,914
Other operating expenses	22,010	25	22,035
Total operating expenses	<u>13,807,944</u>	<u>227,521</u>	<u>14,035,465</u>
Operating loss	<u>(10,568,123)</u>	<u>(71,847)</u>	<u>(10,639,970)</u>
Nonoperating revenues (expenses)			
Federal grants	8,784,871	-	8,784,871
State grants	1,781,902	53,326	1,835,228
Donated commodities and other donations	887,062	-	887,062
Transfers out	(686,824)	(3,578)	(690,402)
Interest income	337,601	-	337,601
Total nonoperating revenues	<u>11,104,612</u>	<u>49,748</u>	<u>11,154,360</u>
Change in net position	536,489	(22,099)	514,390
Total net position, July 1, 2024	<u>7,174,590</u>	<u>(39,455)</u>	<u>7,135,135</u>
Total net position, June 30, 2025	<u>\$ 7,711,079</u>	<u>\$ (61,554)</u>	<u>\$ 7,649,525</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, 2025**

	<u>Food Service Fund</u>	<u>Daycare Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from lunchroom sales	\$ 3,213,204	\$ -	\$ 3,213,204
Cash received from other activities	(298,245)	164,972	(133,273)
Cash payments to employees for services	(6,380,718)	(213,625)	(6,594,343)
Cash payments to suppliers for goods and services	(7,357,633)	(13,896)	(7,371,529)
Cash transfers	<u>(686,824)</u>	<u>(3,578)</u>	<u>(690,402)</u>
Net cash used in operating activities	<u>(11,510,216)</u>	<u>(66,127)</u>	<u>(11,576,343)</u>
Cash flows from noncapital financing activities			
Non-operating revenues received	<u>11,453,835</u>	<u>53,326</u>	<u>11,507,161</u>
Net cash provided by noncapital financing activities	<u>11,453,835</u>	<u>53,326</u>	<u>11,507,161</u>
Cash flows from investing activities			
Interest on investments	<u>337,601</u>	<u>-</u>	<u>337,601</u>
Net cash provided by investing activities	<u>337,601</u>	<u>-</u>	<u>337,601</u>
Net change in cash and cash equivalents	211,642	(12,801)	198,841
Cash and cash equivalents - beginning	<u>11,173,043</u>	<u>42,954</u>	<u>11,215,997</u>
Cash and cash equivalents - ending	<u>\$ 11,384,685</u>	<u>\$ 30,153</u>	<u>\$ 11,414,838</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (10,568,123)	\$ (71,847)	\$ (10,639,970)
Adjustments to reconcile operating loss to net cash used in operating activities			
Depreciation	127,914	-	127,914
Transfers	(686,824)	(3,578)	(690,402)
Changes in assets and liabilities:			
(Increase) in accounts receivable	(11,723)	-	(11,723)
(Increase) in interfund receivables	(49,480)	-	(49,480)
Decrease in deferred outflows	361,077	2,425	363,502
Increase in deferred inflows	(323,741)	1,235	(322,506)
(Decrease) in MIF net OPEB liability	(159,070)	1,114	(157,956)
(Decrease) in CERS net pension liability	<u>(203,128)</u>	<u>4,524</u>	<u>(198,604)</u>
Net cash used in operating activities	<u>\$ (11,510,216)</u>	<u>\$ (66,127)</u>	<u>\$ (11,576,343)</u>
Schedule of non-cash transactions:			
Donated commodities received from federal government	\$ 887,062	\$ -	\$ 887,062
On behalf payments	<u>\$ 1,684,934</u>	<u>\$ 53,326</u>	<u>\$ 1,738,260</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 \$54,132,230 for ongoing projects. This is a major fund of the district.

(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

The District prepares its budgets on the modified accrual basis of accounting, which is the same basis as used to prepare the statement of revenues, expenditures and changes in fund balances – governmental funds.

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

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 Compensated Absences

The District accrues a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled, including termination payments.

Upon retirement from the school system, eligible employees may receive up to 30% of the value of accumulated compensated absences. The District estimates the liability for compensated absences based on historical usage patterns and the probability that earned leave will be used or paid, including both termination payments and leave expected to be used during employment.

The District has elected to apply the last-in, first-out (LIFO) method for determining which leave is expected to be used. Under this method, the most recently earned leave is assumed to be used first. This election affects the measurement of the liability by prioritizing the use of higher-rate leave when applicable.

The liability is measured using the pay rates in effect as of the financial statement date and includes salary-related payments directly and incrementally associated with compensated absences (e.g., payroll taxes). The entire compensated absence liability is reported in the district-wide financial statements.

This policy reflects the unified recognition and measurement framework introduced by GASB Statement No. 101 and supersedes prior guidance under GASB Statement No. 16.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025 was as follows:

<u>Governmental Activities</u>	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025
Land	\$ 13,720,372	\$ -	\$ -	\$ 13,720,372
Land improvements	23,914,510	964,329	-	24,878,839
Buildings and improvements	499,603,152	2,009,343	-	501,612,495
Technology equipment	11,162,895	6,250	11,022	11,158,123
Vehicles	31,369,816	1,701,729	2,044,087	31,027,458
General equipment	7,137,048	738,572	25,443	7,850,177
Construction work in progress	<u>22,010,136</u>	<u>31,245,116</u>	<u>2,153,871</u>	<u>51,101,381</u>
Totals at historical cost	<u>608,917,929</u>	<u>36,665,339</u>	<u>4,234,423</u>	<u>641,348,845</u>
Less: accumulated depreciation				
Land improvements	9,849,362	1,064,885	-	10,914,247
Buildings and improvements	209,080,774	13,203,982	-	222,284,756
Technology equipment	11,053,191	21,081	11,022	11,063,250
Vehicles	21,935,193	2,068,451	2,045,076	21,958,568
General equipment	<u>5,331,767</u>	<u>310,248</u>	<u>24,454</u>	<u>5,617,561</u>
Total accumulated depreciation	<u>257,250,287</u>	<u>16,668,647</u>	<u>2,080,552</u>	<u>271,838,382</u>
Governmental activities capital assets - net	<u>\$ 351,667,642</u>	<u>\$ 19,996,692</u>	<u>\$ 2,153,871</u>	<u>\$ 369,510,463</u>
<u>Business - Type Activities</u>				
General equipment	\$ 4,715,852	\$ 69,578	\$ -	\$ 4,785,430
Buildings and improvements	76,617	-	-	76,617
Vehicles	59,800	-	-	59,800
Technology equipment	<u>671,873</u>	<u>-</u>	<u>-</u>	<u>671,873</u>
Totals at historical cost	<u>5,524,142</u>	<u>69,578</u>	<u>-</u>	<u>5,593,720</u>
Less: accumulated depreciation				
General equipment	4,108,168	131,974	-	4,240,142
Buildings and improvements	80,677	(4,060)	-	76,617
Vehicles	59,800	-	-	59,800
Technology equipment	<u>671,873</u>	<u>-</u>	<u>-</u>	<u>671,873</u>
Total accumulated depreciation	<u>4,920,518</u>	<u>127,914</u>	<u>-</u>	<u>5,048,432</u>
Business - type activities capital assets - net	<u>\$ 603,624</u>	<u>\$ (58,336)</u>	<u>\$ -</u>	<u>\$ 545,288</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, 2025 was as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Instruction	\$ 5,341,896	\$ -
Student support services	19,448	-
Staff support services	7,488	-
District administration	9,661	-
School administration	9,339	-
Business support services	55,672	-
Plant operation and maintenance	9,267,804	-
Food service	-	127,914
Student transportation	1,956,512	-
Community services	827	-
Total	<u>\$ 16,668,647</u>	<u>\$ 127,914</u>

NOTE 5 ACCUMULATED UNPAID COMPENSATED ABSENCE BENEFITS

The District estimates the liability for compensated absences based on historical usage patterns and the probability that earned leave will be used or paid, including both termination payments and leave expected to be used during employment. At June 30, 2025, this amount totaled approximately \$8,250,475.

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.

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%
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%
June 18, 2024	29,620,000	4.000%

BOONE COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 6 BONDED DEBT (CONTINUED)

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, 2025 for debt service (principal and interest) are reported in Note 16.

NOTE 7 RETIREMENT PLANS

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

General information about the 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/>.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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
	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.

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, 2025, was \$9,152,926, which consisted of \$7,104,513 from the District and \$2,048,413 from the employees. Total contributions for the year ended June 30, 2024 and 2023 were \$9,896,418 and \$10,756,135, respectively. The contributions have been contributed in full for fiscal years 2025, 2024 and 2023.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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, 2025, was \$20,325,998, which consisted of \$4,275,605 from the District and \$16,050,393 from the employees. Total contributions for the year ended June 30, 2024 and 2023 were \$19,332,038 and \$18,928,346, respectively. The contributions have been contributed in full for fiscal years 2025, 2024 and 2023.

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, 2025, 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	\$ 65,047,574
Commonwealth's proportionate share of the TRS net pension liability associated with the District	<u>518,763,453</u>
	<u>\$ 583,811,027</u>

The net pension liability for each plan was measured as of June 30, 2024, 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, 2025, the District's proportion was 1.087675% percent.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2025, the District recognized an increase in pension expense of \$10,387,872 related to CERS. The District recognized pension expense of \$29,718,122 for TRS support provided by the Commonwealth. At June 30, 2025, 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	\$ 3,148,422	\$ -
Net difference between projected and actual earnings on pension plan investments	4,467,306	8,649,514
Changes of assumptions	-	2,938,873
Changes in proportion and differences between employer contributions and proportionate share of contributions	99,356	2,518,542
District contributions subsequent to the measurement date	<u>7,104,513</u>	<u>-</u>
Total	<u>\$ 14,819,597</u>	<u>\$ 14,106,929</u>

\$7,104,513 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, 2026. 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>	
2026	\$ (4,079,930)
2027	227,821
2028	(1,607,689)
2029	(932,047)
2030	-

Actuarial assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>TRS</u>
Inflation	2.50%	2.50%
Projected salary increases	3.3 - 10.3%	3.0 - 7.5%
Investment rate of return, net of investment expense and inflation	6.50%	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-2020 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 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 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 2022, is outlined in a report dated May 9, 2023. 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	38.0%	5.25%	50.0%	4.15%
Developed international equity	15.7%	5.50%		
Emerging markets equity	5.3%	6.10%		
Private equity	7.0%	8.00%	10.0%	9.10%
Core bonds			10.0%	2.85%
Fixed income	15.0%	1.90%		
Specialty Credit			10.0%	3.82%
High yield	2.0%	3.80%		
Additional categories	8.0%	3.60%		
Real estate	7.0%	3.20%	7.0%	4.90%
Real return			13.0%	5.35%
Cash	2.0%	1.60%	0.0%	1.70%
Total	<u>100%</u>		<u>100%</u>	

Discount rate

For CERS, the discount rate used to measure the total pension liability was 6.50%. 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 6.50%. 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	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	\$ 83,856,951	\$ 65,047,574	\$ 49,440,748
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net position

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

NOTE 8 OPEB PLANS

General information about the Teachers' Retirement System OPEB Plan

Plan description

Teaching-certified employees of the Boone County School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provided retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statues 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 Provided

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, 2025, the Boone County School District reported a liability of \$34,192,108 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, 2024, 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, 2024 and 2023, the District's proportion was 1.62% and 1.73% percent for TRS, respectively, and 1.09% and 1.14% percent for CERS for June 30, 2024 and 2023, 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	\$ (1,882,892)
District's proportionate share of the TRS net OPEB liability	36,076,000
State's proportionate share of the net OPEB liability associated with the District	<u>32,139,000</u>
	<u>\$ 66,332,108</u>

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

For the year ended June 30, 2025, the District recognized OPEB expense of \$16,829,493 and revenue of \$2,994,058 for support provided by the State. At June 30, 2025, 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	\$ 1,044,607	\$ 25,647,654
Net difference between projected and actual earnings on OPEB plan investments	1,655,111	4,531,361
Change of assumptions	10,894,128	1,328,579
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,687,344	16,858,600
District contributions subsequent to the measurement date	<u>3,360,834</u>	<u>-</u>
Total	<u>\$ 28,642,024</u>	<u>\$ 48,366,194</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$3,360,834 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30:</u>		
2026	\$	(8,608,644)
2027		(4,931,667)
2028		(4,847,763)
2029		(2,443,930)
2030		(2,007,000)
Thereafter		(246,000)

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

The total OPEB liability in the June 30, 2023 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.	6.50%
Projected salary increases	3.00 - 7.50%, including inflation	3.30% to 10.30%, varies by service
Inflation rate	2.50%	2.50%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Medical Trend	6.50% for FY2024 decreasing to an ultimate rate of 4.5% by FY2035	
Under 65		Initial trend starting at 7.10% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
Ages 65 and Older		Initial trend starting at 8.00% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years
Medicare Part B Premiums	5.92% for FY 2024 with an ultimate rate of 4.50% by 2035	
Municipal Bond Index Rate	3.94%	3.97%
Discount Rate	7.10%	5.99%
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, 2023 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-2020 mortality improvement scale using a base year of 2010. For non-disabled retired members and beneficiaries, the mortality table used is the system specific mortality table based on mortality experience 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. For disabled retired members, the mortality table used is the PUB-2010 Disabled Mortality table, rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

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, 2023 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
U.S. Equity	40.0%	5.2%
International Equity	20.0%	5.8%
Fixed Income	21.0%	1.9%
Real Estate	7.0%	3.2%
Private Equity	5.0%	8.0%
Other Additional Categories	5.0%	4.0%
Cash	2.0%	1.6%
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 5.99%. 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	\$ 47,926,000	\$ 36,076,000	\$ 26,254,000
	<u>1% Decrease (4.99%)</u>	<u>Current Discount Rate (5.99%)</u>	<u>1% Increase (6.99%)</u>
CERS			
Districts' net OPEB liability	\$ 2,545,883	\$ (1,882,892)	\$ (5,606,615)

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	\$ 24,369,000	\$ 36,076,000	\$ 50,621,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability	\$ (4,530,011)	\$ (1,882,892)	\$ 1,200,813

OPEB plan fiduciary net position

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

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, 2025, 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>733,000</u>
	\$	<u>733,000</u>

For the year ended June 30, 2025, the District recognized OPEB expense of \$-0- and revenue of \$89,623 for support provided by the State.

Actuarial assumptions

The total OPEB liability in the June 30, 2024 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	3.94%
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, 2023 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, 2023 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%	5.2%
International Equity	20.0%	5.8%
Fixed Income	21.0%	1.9%
Real Estate	7.0%	3.2%
Private Equity	5.0%	8.0%
Other Additional Categories	5.0%	4.0%
Cash	2.0%	1.6%
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:

	1% Decrease <u>(6.10%)</u>	Current Discount Rate (7.10%)	1% Increase <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 purchases unemployment insurance from the Kentucky School Boards Association (KSBA). The District purchases workers' compensation insurance through Kentucky Employer Mutual Insurance (KEMI). In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulted from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 DEFICIT OPERATING/FUND BALANCES

The Day Care Fund currently have deficit fund balances of \$61,554. 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	\$ 5,947,052
Construction Fund	1,913,362
Capital Outlay Fund	1,247,243
Ryle High School	27,310
Day Care Fund	22,099
Gray Middle School	13,621
General Fund	675,932
R.A. Jones Middle School	11,906
Cooper High School	8,976
Ballyshannon Middle School	7,677
North Pointe Elementary	6,612
Conner Middle School	5,970
Steeplechase Elementary	3,195
New Haven Elementary	3,092
Ockerman Middle School	1,006
Florence Elementary	425

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).

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 14 TRANSFER OF FUNDS

The following transfers were made during the year.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Special Revenue Fund	KETS (Technology)	\$ 554,000
General Fund	Ignite Fund	Operating Costs	2,498,931
General Fund	Construction Fund	Construction Costs	8,782,355
General Fund	District Activity Fund	Fee Subsidy	385,896
Special Revenue Fund	General Fund	Indirect Costs	464,523
Special Revenue Fund	Ignite Fund	Operating Costs	695,834
Special Revenue Fund	Construction Fund	Construction Costs	124,676
School Activity Fund	District Activity Fund	Fees and Other	1,267,063
Capital Outlay Fund	Construction Fund	Construction Costs	3,133,223
Building Fund	General Fund	Facilities Costs	(136,726)
Building Fund	Construction Fund	Construction Costs	17,318,051
Building Fund	Debt Service Fund	Debt Service	23,024,550
Food Service Fund	General Fund	Indirect Costs	686,824
Day Care Fund	General Fund	Indirect Costs	3,578

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2025 total payments of \$66,458,766 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	\$ 62,592,397
Debt Service	641,783
Day Care	53,326
Food Service	1,684,934
Ignite Institute	<u>1,486,326</u>
Total On-Behalf	<u>\$ 66,458,766</u>

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

2010 QSCB, 2013, 2014-Ref, 2015-Ref, 2016, 2016-Ref, 2016B, 2017R, 2017B Ref, 2018, 2020, 2021, 2022, & 2024 Bonds

FISCAL YEAR	BOONE COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2025-2026	\$ 18,143,139	\$ 5,645,701	\$ 23,788,840	\$ 505,521	\$ 136,262	\$ 641,783	\$ 24,430,623
2026-2027	17,227,714	5,141,186	22,368,900	495,946	122,271	618,217	22,987,117
2027-2028	12,787,910	4,021,825	16,809,735	457,090	108,861	565,951	17,375,685
2028-2029	13,129,728	3,665,102	16,794,830	470,272	95,681	565,953	17,360,782
2029-2030	12,371,164	3,293,557	15,664,721	418,836	81,931	500,767	16,165,488
2030-2031	12,723,742	2,939,977	15,663,719	431,258	69,508	500,766	16,164,485
2031-2032	9,372,231	2,572,266	11,944,497	257,769	56,634	314,403	12,258,900
2032-2033	9,684,388	2,275,730	11,960,118	265,612	48,791	314,403	12,274,521
2033-2034	9,502,429	1,963,569	11,465,998	202,571	40,501	243,072	11,709,069
2034-2035	9,816,069	1,651,666	11,467,735	208,931	34,141	243,072	11,710,807
2035-2036	10,154,381	1,322,989	11,477,370	215,619	27,453	243,072	11,720,441
2036-2037	9,644,262	979,598	10,623,860	200,738	20,845	221,583	10,845,443
2037-2038	7,275,353	696,055	7,971,408	104,647	16,045	120,692	8,092,100
2038-2039	7,537,013	443,984	7,980,997	107,987	12,706	120,693	8,101,691
2039-2040	3,958,566	205,091	4,163,657	111,434	9,259	120,693	4,284,350
2040-2041	1,333,207	84,687	1,417,894	61,793	5,701	67,494	1,485,388
2041-2042	1,371,130	42,996	1,414,126	63,870	3,623	67,493	1,481,619
2042-2043	1,922	125	2,047	18,078	1,475	19,553	21,600
2043-2044	1,198	48	1,246	18,802	752	19,554	20,800
Various*	2,862,778	-	2,862,778	-	-	-	2,862,778
	<u>\$ 168,898,324</u>	<u>\$ 36,946,150</u>	<u>\$ 205,844,474</u>	<u>\$ 4,616,774</u>	<u>\$ 892,440</u>	<u>\$ 5,509,214</u>	<u>\$ 211,353,688</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, 2025 is as follows:

	Balance July 1, 2024	Additions	Payments	Balance June 30, 2025
Governmental Activities				
Bond Obligations	<u>\$ 191,703,758</u>	<u>\$ -</u>	<u>\$ 18,188,660</u>	<u>\$ 173,515,098</u>
Bond premium	<u>\$ 366,897</u>	<u>\$ -</u>	<u>\$ 40,569</u>	<u>\$ 326,328</u>
Compensated Absences	<u>\$ 7,929,539</u>	<u>\$ 641,763</u>	<u>\$ 320,827</u>	<u>\$ 8,250,475</u>

NOTE 17 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2024, the District adopted Governmental Accounting Standards Board (“GASB”) Statement No. 101, *Compensated Absences*, as it relates to the measurement and recognition of accrued compensated absences. GASB 101 required retrospective application. Since the District only presents one year of financial information, the beginning net position balance was adjusted to reflect the retrospective application. The adjustment resulted in a \$5,412,976 reduction to the beginning net position on the Statement of Activities – District Wide.

NOTE 18 CORRECTION OF ERROR

During fiscal year 2025, it was noted that a capital asset was overvalued when put into service in October 2005. Therefore, capital assets was overstated by \$1,720,500 for fiscal year ended June 30, 2024.

BOONE COUNTY SCHOOL DISTRICT

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

NOTE 18 CORRECTION OF ERROR (CONTINUED)

Additionally, there was no depreciation calculated for land improvements and miscalculation of two building improvement assets that understated land improvements accumulated depreciation by \$4,243,067 and overstated building improvements accumulated depreciation by \$9,424,772. A prior period adjustment was made to beginning net position balances to restate the prior period ending net position balance

The following table shows the change in the prior period:

	As Previously Stated 2024	Error Correction	As Restated 2024
Current assets	\$ 167,266,973	\$ -	\$ 167,266,973
Noncurrent assets	348,810,061	3,461,205	352,271,266
Total assets	<u>516,077,034</u>	<u>3,461,205</u>	<u>519,538,239</u>
Deferred outflows	58,812,905	-	58,812,905
Current liabilities	33,354,400	-	33,354,400
Noncurrent liabilities	290,053,231	-	290,053,231
Total liabilities	<u>323,407,631</u>	<u>-</u>	<u>323,407,631</u>
Deferred inflows	75,465,546	-	75,465,546
Net position:			
Investment in capital assets (net of debt)	157,710,026	3,461,205	161,171,231
Restricted	(31,304,551)	-	(31,304,551)
Unrestricted	49,611,287	-	49,611,287
Total net position	<u>\$ 176,016,762</u>	<u>\$ 3,461,205</u>	<u>\$ 179,477,967</u>

NOTE 19 SUBSEQUENT EVENTS

Subsequent to year end, the District purchased property for \$4.75 million on July 9th, 2025. The property will be used for an Early Childhood Center in the future. Subsequent events were considered through February 24, 2026, 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, 2025**

	<u>Capital Outlay 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)	\$ -	\$ 291,734	\$ 2,677,469	\$ 118,336	\$ 1,452,228	\$ 4,539,767
Accounts receivable	-	-	-	1,272,915	-	1,272,915
Total assets	<u>\$ -</u>	<u>\$ 291,734</u>	<u>\$ 2,677,469</u>	<u>\$ 1,391,251</u>	<u>\$ 1,452,228</u>	<u>\$ 5,812,682</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 15,278	\$ 15,278
Interfund payable	-	-	-	1,272,916	329	1,273,245
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,272,916</u>	<u>15,607</u>	<u>1,288,523</u>
Fund Balances:						
Restricted:						
Debt service fund	-	291,734	-	-	-	291,734
Other	-	-	2,677,469	118,335	1,436,621	4,232,425
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>291,734</u>	<u>2,677,469</u>	<u>118,335</u>	<u>1,436,621</u>	<u>4,524,159</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 291,734</u>	<u>\$ 2,677,469</u>	<u>\$ 1,391,251</u>	<u>\$ 1,452,228</u>	<u>\$ 5,812,682</u>

BOONE COUNTY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds
As of June 30, 2025**

	<u>Capital Outlay 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:						
Earnings on investments	\$ -	\$ 23,326	\$ -	\$ -	\$ 39,451	\$ 62,777
State sources	1,885,980	641,783	-	1,486,326	-	4,014,089
Federal sources	-	874,664	-	-	-	874,664
Other sources	-	-	5,967,578	1,417,073	236,916	7,621,567
Total revenues	<u>1,885,980</u>	<u>1,539,773</u>	<u>5,967,578</u>	<u>2,903,399</u>	<u>276,367</u>	<u>12,573,097</u>
Expenditures:						
Instructional	-	-	3,605,542	3,772,123	1,299,416	8,677,081
Student support services	-	-	53,460	592,055	1,337	646,852
Staff support services	-	-	695,619	201,876	145,972	1,043,467
School administration	-	-	236,071	532,240	118,464	886,775
Plant operation and maintenance	-	-	-	930,270	81,435	1,011,705
Student transportation	-	-	(8,943)	-	-	(8,943)
Central office	-	-	27,415	-	-	27,415
Community service operations	-	-	38,519	-	-	38,519
Debt service:						
Principal	-	18,188,660	-	-	-	18,188,660
Interest	-	6,253,992	-	-	-	6,253,992
Total expenditures	<u>-</u>	<u>24,442,652</u>	<u>4,647,683</u>	<u>6,028,564</u>	<u>1,646,624</u>	<u>36,765,523</u>
Excess (deficit) of revenues over expenditures	<u>1,885,980</u>	<u>(22,902,879)</u>	<u>1,319,895</u>	<u>(3,125,165)</u>	<u>(1,370,257)</u>	<u>(24,192,426)</u>
Other Financing Sources (Uses)						
Operating transfers in	-	23,024,549	-	3,194,765	1,652,958	27,872,272
Operating transfers out	(3,133,223)	-	(1,267,063)	-	-	(4,400,286)
Total other financing sources(uses)	<u>(3,133,223)</u>	<u>23,024,549</u>	<u>(1,267,063)</u>	<u>3,194,765</u>	<u>1,652,958</u>	<u>23,471,986</u>
Net change in fund balance	(1,247,243)	121,670	52,832	69,600	282,701	(720,440)
Fund balance, July 1, 2024	<u>1,247,243</u>	<u>170,064</u>	<u>2,624,637</u>	<u>48,735</u>	<u>1,153,920</u>	<u>5,244,599</u>
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ 291,734</u>	<u>\$ 2,677,469</u>	<u>\$ 118,335</u>	<u>\$ 1,436,621</u>	<u>\$ 4,524,159</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual – General Fund
Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 134,728,201	\$ 134,728,201	\$ 140,513,013	\$ 5,784,812
Earnings on investments	2,000,000	2,000,000	4,046,451	2,046,451
State sources	110,248,000	110,248,000	108,186,535	(2,061,465)
Federal sources	1,000,000	1,000,000	1,057,009	57,009
Other sources	2,616,800	2,621,174	1,987,259	(633,915)
Total revenues	<u>250,593,001</u>	<u>250,597,375</u>	<u>255,790,267</u>	<u>5,192,892</u>
Expenditures				
Instructional	178,357,199	177,643,491	141,626,532	36,016,959
Student support services	13,180,852	13,650,321	18,796,014	(5,145,693)
Staff support services	9,175,601	9,270,842	9,841,104	(570,262)
District administration	8,593,886	9,301,539	8,494,234	807,305
School administration	14,583,253	13,924,886	18,049,411	(4,124,525)
Business support services	5,344,711	5,353,268	6,470,026	(1,116,758)
Plant operation and maintenance	23,679,797	23,824,649	22,666,375	1,158,274
Student transportation	21,606,951	21,605,685	17,621,126	3,984,559
Food Service Operation	-	-	17,480	(17,480)
Community service operations	2,164	2,089	626,470	(624,381)
Architectural/Engineering	20,772	20,772	36,245	(15,473)
Facility acquisition and construction	34,000	34,000	-	34,000
Other	18,885,235	18,881,609	12,221,182	6,660,427
Total expenditures	<u>293,464,421</u>	<u>293,513,151</u>	<u>256,466,199</u>	<u>37,046,952</u>
Net change in fund balance	(42,871,420)	(42,915,776)	(675,932)	42,239,844
Fund balance, July 1, 2024	<u>42,871,420</u>	<u>42,915,776</u>	<u>75,692,264</u>	<u>32,776,488</u>
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,016,332</u>	<u>\$ 75,016,332</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources	\$ 618,118	\$ 8,418,669	\$ 6,573,318	\$ (1,845,351)
Federal sources	4,995,856	9,129,422	14,004,454	4,875,032
Other sources	559,000	702,589	1,534,339	831,750
Total revenues	<u>6,172,974</u>	<u>18,250,680</u>	<u>22,112,111</u>	<u>3,861,431</u>
Expenditures				
Instructional	4,314,938	12,645,863	14,664,536	(2,018,673)
Student support services	837,918	1,419,342	863,094	556,248
Staff support services	288,150	1,350,746	2,056,348	(705,602)
Business support services	-	-	436,968	(436,968)
Plant operation and maintenance	5,000	458,319	399,439	58,880
Student transportation	108,850	166,376	376,832	(210,456)
Day care operations	-	-	900	(900)
Community service operations	20,000	1,429,940	1,456,904	(26,964)
Other	598,118	747,594	1,285,033	(537,439)
Total expenditures	<u>6,172,974</u>	<u>18,218,180</u>	<u>21,540,054</u>	<u>(3,321,874)</u>
Net change in fund balance	-	32,500	572,057	539,557
Fund balance, July 1, 2024	-	-	883,312	883,312
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ 32,500</u>	<u>\$ 1,455,369</u>	<u>\$ 1,422,869</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction Fund
Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ -	\$ -	\$ 2,844,118	\$ 2,844,118
Other sources	-	20,488,802	29,360,103	8,871,301
Total revenues	-	20,488,802	32,204,221	11,715,419
Expenditures				
Facility acquisition and construction	-	23,177,272	34,117,583	10,940,311
Other	-	(510,488)	-	510,488
Total expenditures	-	22,666,784	34,117,583	11,450,799
Net change in fund balance	-	(2,177,982)	(1,913,362)	264,620
Fund balance, July 1, 2024	-	-	56,045,592	56,045,592
Fund balance, June 30, 2025	\$ -	\$ (2,177,982)	\$ 54,132,230	\$ 56,310,212

BOONE COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Building Fund
Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 34,107,544	\$ 34,107,544	\$ 34,107,544	\$ -
State sources	628,650	628,650	151,279	(477,371)
Total revenues	<u>34,736,194</u>	<u>34,736,194</u>	<u>34,258,823</u>	<u>(477,371)</u>
Expenditures				
Facility acquisition and construction	14,150,183	14,150,183	-	(14,150,183)
Other	20,586,011	20,586,011	40,205,875	19,619,864
Total expenditures	<u>34,736,194</u>	<u>34,736,194</u>	<u>40,205,875</u>	<u>5,469,681</u>
Net change in fund balance	-	-	(5,947,052)	(5,947,052)
Fund balance, July 1, 2024	-	-	5,947,052	5,947,052
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balances
Bond and Interest Redemption Funds
For the Year Ended June 30, 2025**

	<u>Issue of 2010 - QCSB</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>	<u>Issue of 2016B</u>	<u>Issue of 2017R</u>
Cash at July 1, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	1,121,048	590,213	1,982,075	1,783,925	863,813	6,516,850	1,823,328	1,398,150
Disbursements:								
Bonds paid	483,660	450,000	1,895,000	1,655,000	600,000	5,965,000	1,035,000	1,200,000
Interest coupons	637,388	140,213	87,075	128,925	263,813	551,850	788,328	198,150
Total disbursements	1,121,048	590,213	1,982,075	1,783,925	863,813	6,516,850	1,823,328	1,398,150
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2025	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<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>Issue of 2024</u>	<u>Total</u>	
Cash at July 1, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Receipts:								
Transfers and miscellaneous deposits	1,755,650	824,094	1,742,475	525,900	856,281	2,658,850	20,385,652	
Disbursements:								
Bonds paid	1,430,000	410,000	900,000	335,000	300,000	1,530,000	18,188,660	
Interest coupons	325,650	414,094	842,475	190,900	556,281	1,128,850	6,253,992	
Total disbursements	1,755,650	824,094	1,742,475	525,900	856,281	2,658,850	20,385,652	
Excess of receipts over disbursements	-	-	-	-	-	-	-	
Cash at June 30, 2025	-	-	-	-	-	-	-	
Fund Balance at June 30, 2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Boone County High School Activity Fund
For the Year Ended June 30, 2025**

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025
Abbey Zimmer Scholarship	\$ 9,299	\$ 3,416	1,250	\$ 11,465
Academic team	173	29	-	202
Advanced Placement	1,694	995	2,033	656
Archery	4,729	16,898	11,748	9,879
Art Department	199	-	-	199
Athletic Concessions	2,065	35,264	35,272	2,057
Athletic Fees	4,763	437	1,965	3,235
Athletics	36,325	180,434	198,319	18,440
Background check	10	610	505	115
Backpack Food Program	1,382	765	1,102	1,045
Band Activities	255	2,668	1,394	1,529
Band trip	-	5,315	5,128	187
Baseball	6,237	8,596	9,630	5,203
Basketball - Boys	3,186	9,957	12,229	914
Basketball - Girls	3,715	8,855	9,040	3,530
BCHSKYA	31	-	-	31
Bowling Team	1,305	7,490	8,094	701
Broadway Art Scholarship	2,770	65,169	64,957	2,982
Ceramic Class	267	-	-	267
Charitable Gaming Holding	-	1,554	183	1,371
Cheerleaders - JV & Varsity	5,622	38,111	30,721	13,012
Chick Fila Leaders	268	-	120	148
Choral Music	359	10,141	8,487	2,013
Citigroup Scholarship	6,636	10,000	16,636	-
Class of 1955 scholarship	20	-	-	20
Conservation Grant	10	-	-	10
CRAC	6,293	3,000	4,632	4,661
Cross Country - Boys	366	1,363	1,382	347
Cross Country - Girls	401	1,363	499	1,265
Dance Team	-	6,864	6,864	-
District Supplement	-	40,000	29,221	10,779
District Sweep	825	66,328	67,153	-
Dr. Edward P & Mary	3,394	16,201	-	19,595
E sports	-	1,000	830	170
Empowerment Club	47	-	-	47
Family and Consumer Science	154	3,680	3,779	55
FASFF	482	-	390	92
FBLA	-	1,453	1,110	343
FCA	16	100	-	116
Football	164	24,494	24,248	410
Forensic Team	1,404	17,244	17,933	715
French Club	6	-	-	6
General	14,984	13,781	11,070	17,695
General Fees	3,386	55,300	58,258	428
Go Pantry	10	179	189	-
Golf - Boys	904	6	717	193

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Boone County High School Activity Fund (Continued)
For the Year Ended June 30, 2025**

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025
Golf - Girls	\$ 1,723	\$ -	\$ 373	\$ 1,350
Grace Kelly Girls Club	261	-	-	261
Guidance Department	1,763	-	-	1,763
JR SR Class	3,072	22,230	16,633	8,669
Library	113	-	-	113
Logan's Heroes	727	-	-	727
Marching Band	1,369	8,751	7,648	2,472
Men of Boone	71	69	140	-
Music Honor Society	103	177	280	-
Nancy Lambers Bresser	-	250	-	250
National Art Honor Society	173	60	-	233
National Honor Society	2,609	4,809	4,649	2,769
Newspaper	423	-	70	353
Next Grad Scholarship	500	2,500	2,000	1,000
Parking	-	1,650	1,650	-
Performing Arts Center	10,380	13,225	4,163	19,442
Photography Club	60	-	60	-
Rebels for a Cause	540	-	-	540
Science Department	20	249	260	9
Service Learning	2	-	-	2
Shawn Garnett Memorial Sc	140	360	500	-
Soccer - Boys	3,001	10,395	9,021	4,375
Soccer - Girls	8,990	5,041	4,441	9,590
Softball	2,143	5,052	2,128	5,067
Spanish Club	30	-	30	0
Spanish National Honor Society	-	6,945	6,741	204
Special Ed Department	32	-	-	32
Spiri-Demic Store	1,146	9,138	11,063	(779)
Spotlighters	3,261	3,085	3,585	2,761
Stipulation Free	72	-	-	72
Student Council	198	1,502	1,700	-
Student Enrichment	1,269	-	1,269	-
Summer enrichment	2,700	7,569	-	10,269
Swimming	1,789	4,576	5,227	1,138
Tennis - Boys	256	500	587	169
Tennis - Girls	809	619	386	1,042
Testing Committee	1,111	1,790	2,533	368
Track - Boys	1,430	5,810	4,800	2,440
Track - Girls	6,184	5,125	9,842	1,467
Track Meet Account	1,656	10,285	5,785	6,156
Volleyball	3,457	7,566	3,745	7,278
Women of Boone	146	-	70	76
World Language Dept	2	1,195	1,163	34
Wrestling	10,563	15,436	20,210	5,789
Yearbook	6,687	5,935	6,644	5,978
Youth Service Center	1,085	294	1,296	83
Total	\$ 206,220	\$ 821,248	\$ 787,780	\$ 239,689

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Conner High School Activity Fund
For the Year Ended June 30, 2025**

	Fund Balance			Fund Balance
	July 1, 2024	Receipts	Disbursements	June 30, 2025
Academic Team	\$ 184	\$ 630	\$ 575	\$ 239
Archery Club	2,343	10,326	8,044	4,625
Art	-	3,934	3,919	15
Art Club	449	-	-	449
Athletic	47,614	57,958	67,224	38,348
Athletic Fees	18,492	15,806	15,259	19,039
Athletic Gates	54	10,772	10,772	54
Background Check	-	640	640	-
Band	4,396	1,273	435	5,234
Baseball	36,420	50,457	44,481	42,396
Basketball/Boys	12,312	20,117	17,153	15,276
Basketball/Girls	26,459	26,526	32,575	20,410
Bowling	334	140	25	449
Bowling, Girls	205	1,244	989	460
Character Counts	2,867	-	-	2,867
Cheerleaders	6,490	98,591	83,846	21,235
Choir Fee	-	90	90	-
Choirs	2,788	1,045	2,812	1,021
CHS Scholarship	4,009	-	1,000	3,009
Citi 2024-2025	11,500	4,700	16,200	-
Citi Reserve Account	9,724	5,233	1,846	13,111
Clearing	-	900	900	-
Cougars in the Community	1,046	-	-	1,046
Cross Country	14,131	5,859	7,645	12,345
CTE	-	894	891	3
Culinary Creations	8,887	1,156	2,126	7,917
Dance Team	4,481	42,816	39,976	7,321
District Softball	-	1,512	1,512	-
Drinks/Snack - Student Account	7,789	134	818	7,105
Drug Free Club	16	-	-	16
Earth Club	265	-	-	265
Educators Rising	65	-	-	65
English	1,590	-	-	1,590
F.B.L.A	1,172	5,996	5,224	1,944
F.C.C.L.A.	4,628	-	182	4,446
F.F.A.	3,337	18,613	18,972	2,978
FCA	229	228	228	229
Fees	55	50,008	49,786	277
FFA Scholarship	47,169	-	1,000	46,169
Field Rental	27,950	19,250	-	47,200
Field Trips	363	1,603	1,689	277
Football	25,806	75,863	74,684	26,985
Gay/Straight Alliance	34	-	-	34
GCF Grant Gym Class	-	1,500	1,444	56
General	44,933	30,801	17,129	58,605
Girls XC MCF Grant	-	3,900	3,900	-
Golf/Boys	4,888	6,267	5,683	5,472

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Conner School Activity Fund (Continued)
For the Year Ended June 30, 2025**

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025
Greenhouse	\$ 7,638	\$ 4,358	\$ 4,098	\$ 7,898
Greg Miller Athletic Scholarship	3,575	5,000	1,000	7,575
Guidance	13,509	10,945	10,449	14,005
Hispanic Honor Society	833	1,164	1,391	606
Instrument Rental Fee	-	39	39	-
Inventory/Replacement	-	680	338	342
John Hoffman Scholarship	13,995	-	1,000	12,995
Junior Class	9,756	32,071	29,583	12,244
Leadership League	139	-	-	139
Library	52	-	-	52
Marching Band	6,938	9,910	10,605	6,243
MDHRoom	847	-	210	637
Media/Yearbook	17,153	2,636	5,128	14,661
Men/Woman of Conner	524	275	382	417
Musical Theatre	10,608	6,286	5,677	11,217
National Honor Society	4,709	4,347	2,942	6,114
Parking	-	4,440	4,440	-
Postage	557	133	-	690
Project Learning	235	-	235	-
Scholarships	-	2,000	2,000	-
Science	15	13,243	13,193	65
Senior Class	-	24,370	24,370	-
Shawn Garnett Mem Fund	140	360	500	-
Soccer District	-	7,644	7,644	-
Soccer/Boys	11,451	11,243	16,314	6,380
Soccer/Girls	11,965	43,902	35,437	20,430
Social Studies	-	114	114	-
Soft Drinks - Faculty Account	223	344	76	491
Softball	15,444	14,237	22,956	6,725
Student Council	1,760	16,230	11,776	6,214
Swimming	3,784	3,585	2,769	4,600
Teachers Helping Teachers	18	443	399	62
Teams	350	-	-	350
Tennis/Boys	200	150	56	294
Tennis/Girls	489	290	181	598
Textbooks	56	39,844	39,735	165
The Cougar Crew	228	-	-	228
Track	3,223	13,112	10,906	5,429
TSA	20	280	261	39
Volleyball	13,927	15,801	11,987	17,741
Wendell Hull Scholarship	860	-	-	860
Wrestling	7,653	12,085	10,199	9,539
YFSC	5,771	1,150	3,020	3,901
Total	\$ 554,372	\$ 881,447	\$ 833,084	\$ 602,735

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Randall K. Cooper School Activity Fund
For the Year Ended June 30, 2025**

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025
33rd District Athletics	\$ -	\$ 650	\$ 646	\$ 4
Academic Team	724	340	300	764
After School Calculus	25	-	-	25
AP Biology	71	-	-	71
Archery club	838	6,876	7,711	3
Art Club	-	435	-	435
Arts Scholarship Fund	1,299	10,470	6,867	4,902
Athletic Administration	33,161	301,030	301,552	32,639
Athletic Fees	6,089	26,463	26,243	6,309
Autism Fundraiser	314	-	-	314
Band	15,305	13,620	12,883	16,042
Baseball	12,814	41,014	32,607	21,221
Basketball Boys	7,885	22,272	26,258	3,899
Basketball Girls	3,247	17,305	19,420	1,132
Blood Drive	-	500	179	321
Bowling Team	3,037	7,256	5,389	4,904
Ceramics Club	371	-	371	-
Cheerleading	37,702	160,050	164,428	33,324
Chorus	801	165	966	-
Class of 2024	3,610	-	3,610	-
Class of 2025	743	23,855	22,950	1,648
Class of 2027	-	120	-	120
Concessions	-	7,930	7,119	811
Cooper Can	74	706	539	241
Cooper Cuisine	859	2,305	2,521	643
Cooper Store	4,952	17,330	16,459	5,823
Craft Fair	55,406	380	10,435	45,351
Cross Country Boys	-	6,094	5,298	796
Cross Country Girls	2,540	3,480	3,682	2,338
Dance Team	2,641	-	1,794	847
District Sweep	-	150,553	150,553	-
Drama	12,672	27,195	34,649	5,218
English Field Trip	182	-	-	182
Faculty Generated	142	538	678	2
Faculty Vending	191	456	508	139
Family Resource Center	975	825	1,112	688
FBLA	764	1,751	2,515	-
FCCLA	408	12,238	12,646	-
FFA	268	28,146	28,305	109
FFA Greenhouse	841	1,066	373	1,534
FMP	-	2,556	2,556	-
Football	75,122	130,932	127,788	78,266
French Club	181	351	338	194
General	2,713	1,647	4,010	350
German Club	205	420	625	-
German Field Trip	25	-	-	25
German Honor Society	70	180	206	44
Girls Golf Conference	-	1,650	1,650	-

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Randall K. Cooper School Activity Fund (Continued)
For the Year Ended June 30, 2025**

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025
Girl's Soccer School	\$ 3,686	\$ 1,814	\$ 5,500	\$ -
Golf Boys	1,710	2,325	2,460	1,575
Golf Girls	5,529	10,782	9,580	6,731
Graduation DVD	498	1,090	1,087	501
Guidance	5,420	16,685	22,061	44
HOSA	95	190	5	280
KY background checks	10	1,480	1,480	10
Lacrosse Club	4,445	5,778	8,059	2,164
Lacrosse Girls	-	6,231	3,871	2,360
Library	-	355	-	355
Nat. Art Honor Society	675	-	-	675
National Honor Society	2,092	3,378	1,915	3,555
NYC Drama Trip	8	-	-	8
Outdoor Classroom/Science	589	-	-	589
Parking Passes	-	4,530	4,345	185
pBIS	-	559	77	482
PEP Club	175	460	500	135
Principal Award	1,000	-	500	500
Robotics Club	3,716	-	1,126	2,590
Room 150	626	279	268	637
SBDM Background Check	-	106	106	-
Senior English Project	250	-	-	250
Sew Copper	751	4,686	5,319	118
Ski Club	191	351	-	542
Soccer Boys	5,173	16,338	15,621	5,890
Soccer Girls	14,337	14,189	16,309	12,217
Softball	1,248	25,068	21,531	4,785
Spanish Club	46	-	-	46
Spanish Honor Society	2,577	320	477	2,420
Speech & Drama	908	62	927	43
St. Elizabeth Healthcare	780	10,400	11,153	27
Stadium Revenue	7,412	-	678	6,734
Start Up Cash	-	300	300	-
Student Council	1,060	31,289	23,591	8,758
Student Fees	1,688	136,030	135,684	2,034
Student Vending	428	107	200	335
Swimming	1,085	8,143	4,181	5,047
Tennis Boys	2,395	742	1,670	1,467
Tennis Girls	1,665	295	883	1,077
Track Boys	5,159	10,448	6,303	9,304
Track Girls	2,611	8,553	5,884	5,280
Volleyball	11,508	22,357	18,028	15,837
WL Exams	35	2,646	2,611	70
Wrestling	2,665	3,359	3,127	2,897
Yearbook	29,418	4,133	9,828	23,723
Total	\$ 412,920	\$ 1,387,008	\$ 1,395,984	\$ 403,950

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Larry A. Ryle School Activity Fund
For the Year Ended June 30, 2025**

	Fund Balance			Fund Balance
	July 1, 2024	Receipts	Disbursements	June 30, 2025
Academic Team	\$ 6	\$ 300	\$ 225	\$ 81
Advanced Multimedia	1,233	-	-	1,233
Agenda	20	1,510	1,515	15
Archery	1,561	9,935	11,496	-
Art club	1,308	999	1,372	935
Art Department	610	1,160	1,056	714
Art Honor Society	205	-	5	200
Art Student Fees	15	2,504	2,469	50
Athletic Administration	28,493	58,999	73,336	14,156
Athletic Fees	-	23,244	23,194	50
Athletic Gate Clearing	19,923	157,874	159,961	17,836
Baseball	12,774	24,535	31,026	6,283
BiCounty VoAg Scholarship	47,669	-	-	47,669
Biliteracy	40	-	-	40
Bowling	67	3,135	2,474	728
Boys Basketball	31,645	45,448	43,138	33,955
Boys Golf	350	8	250	108
Boys Soccer	13,235	31,577	10,237	34,575
Boys Tennis	163	816	213	766
Boys Volleyball	3,259	156	595	2,820
Business Department	265	-	-	265
Campus Store	6,318	5,031	3,295	8,054
Cash Advance/Start Up	-	2,200	2,200	-
Cheerleading	24,407	109,670	128,045	6,032
Chickfila Leader Academy	602	-	4	598
Children, Inc.	500	-	31	469
Choral Music	-	13,928	13,928	-
Chorus Student Fees	-	575	575	-
Class of 2024	2,949	-	2,949	-
Class of 2025	-	33,466	31,202	2,264
Cross Country	13,504	31,170	33,053	11,621
Dance Team	5,016	17,242	17,898	4,360
DECA	1,468	168,471	168,905	1,034
District Sweep	300	265,919	266,219	-
District Volleyball	-	2,253	2,253	-
Drama	1,944	24,719	24,313	2,350
English Department	126	-	5	121
English Honor Society	628	1,344	1,297	675
Exceptional Department	500	-	373	127
F.B.L.A	3,563	7,828	7,660	3,731
FCCLA	2,054	9,278	11,332	-
FCS	3,717	-	-	3,717
FCS Catering	851	1,932	1,477	1,306
FCS Raider Threads	3,824	85	273	3,636
FCS Student Fees	15	1,308	1,293	30
FFA	882	21,929	22,498	313
FMD Room	6,528	13	785	5,756
FMD Unified Sports	7,572	2,526	4,700	5,398
Football	21,036	77,783	78,962	19,857
Football Playoffs	-	18,884	18,884	-
Forensics/Speech & Debate	4,103	6,067	8,156	2,014
French Honor Society	253	411	485	179
Freshman Student Council	158	50	208	-
Gardening Club	670	375	100	945
General	11,126	5,289	11,228	5,187

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Larry A. Ryle School Activity Fund (Continued)
For the Year Ended June 30, 2025**

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025
General Student Fees	\$ 557	\$ 63,707	\$ 63,389	\$ 875
German Honor Society	53	270	306	17
Girls Basketball	8,222	27,143	22,018	13,347
Girls Golf	428	2,976	3,220	184
Girls Lacrosse	53	3,478	3,381	150
Girls Soccer	10,083	7,875	9,076	8,882
Girls Tennis	303	6,319	6,226	396
Girls Volleyball	15,528	17,430	31,020	1,938
Guidance Department	30,694	21,176	25,062	26,808
HOSA	1,022	3,916	3,803	1,135
International Festival	948	-	-	948
Junior Student Council	26,626	52,015	78,641	-
Key Club	319	1,215	1,085	449
Lacrosse	3,216	2,241	3,332	2,125
Library	-	34	34	-
Marching Band	28,532	95,131	87,617	36,046
Math Department	219	802	802	219
Math Honor Society	267	570	5	832
Multicultural Society	317	-	100	217
National Honor Society	1,343	3,680	4,372	651
NTHS	52	-	-	52
Parking Fees	30	4,980	5,010	-
Photography Club	1,650	-	1,650	-
Physical Education	4,958	8,375	11,700	1,633
Quill & Scroll	-	135	-	135
Raider Alliance Club	271	1,000	724	547
Rugby	-	465	-	465
SBDM Background Checks	-	63	63	-
Science Department	662	2,757	3,079	340
Science Honor Society	229	615	-	844
Science Olympiad	2,689	500	2,094	1,095
Science Student Fees	135	15,533	15,449	219
Softball	4,920	5,389	2,518	7,791
Sophomore Student Council	528	471	999	-
Spanish Honor Society	252	1,519	1,571	200
Student Council	4,336	29,015	6,363	26,988
Student Fines	252	2,526	2,638	140
Student Scholarships	9,937	51,611	23,940	37,608
Student Vending	685	828	1,513	-
Summer School	2,990	15,080	16,495	1,575
Swim & Dive Team	470	21,266	14,184	7,552
Teacher Vending	5,030	10,174	11,270	3,934
Textbook Rental	445	43,959	43,778	626
Track	5,524	9,806	15,206	124
TSA	-	11,214	11,190	24
Vo-Ag Student fees	-	700	700	-
Vocational Agriculture	4,058	240	503	3,795
Workbook/Digital Materials	-	5,226	5,226	-
Wrestling	23,021	19,517	18,883	23,655
Yearbook	11,852	9,949	14,717	7,084
Youth Services Center	84	150	197	37
Total	\$ 501,245	\$ 1,774,987	\$ 1,802,297	\$ 473,935

BOONE COUNTY SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
School Activity Funds
For the Year Ended June 30, 2025**

	Fund Balance			Fund Balance
Middle Schools	at July 1, 2024	Receipts	Expenditures	at June 30, 2025
BALLYSHANNON MIDDLE SCHOOL	\$ 63,837	\$ 157,132	\$ (164,809)	\$ 56,160
CAMP ERNST MIDDLE SCHOOL	47,349	266,915	(258,052)	56,212
CONNER MIDDLE SCHOOL	127,108	240,800	(246,770)	121,138
GRAY MIDDLE SCHOOL	60,384	184,611	(198,232)	46,763
JONES MIDDLE SCHOOL	49,978	47,350	(59,256)	38,072
OCKERMAN MIDDLE SCHOOL	55,482	149,345	(150,351)	54,476
Elementary Schools				
BURLINGTON ELEMENTARY SCHOOL	51,343	41,594	(32,545)	60,392
COLLINS ELEMENTARY SCHOOL	15,775	20,185	(17,811)	18,149
ERPENBECK ELEMENTARY SCHOOL	47,397	84,779	(83,790)	48,386
FLORENCE ELEMENTARY SCHOOL	19,387	39,135	(39,560)	18,962
GOODRIDGE ELEMENTARY SCHOOL	118,026	65,266	(49,507)	133,785
KELLY ELEMENTARY SCHOOL	50,062	41,276	(41,147)	50,191
LONGBRANCH ELEMENTARY SCHOOL	10,507	83,479	(83,002)	10,984
NEW HAVEN ELEMENTARY SCHOOL	35,738	82,749	(85,841)	32,646
NORTH POINTE ELEMENTARY SCHOOL	53,741	56,232	(62,844)	47,129
OCKERMAN ELEMENTARY SCHOOL	57,417	38,286	(30,983)	64,720
SHIRLEY MANN ELEMENTARY SCHOOL	15,636	112,229	(107,983)	19,882
STEEPLECHASE ELEMENTARY SCHOOL	16,160	29,051	(32,246)	12,965
STEPHENS ELEMENTARY SCHOOL	14,312	56,579	(56,650)	14,241
THORNWILDE ELEMENTARY SCHOOL	22,034	89,544	(82,450)	29,128
YEALEY ELEMENTARY SCHOOL	18,207	65,693	(61,121)	22,779
	<u>\$ 949,880</u>	<u>\$ 1,952,230</u>	<u>\$ (1,944,950)</u>	<u>\$ 957,160</u>

BOONE COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0%	0%	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	518,763,453	560,535,650	559,612,588	426,121,417	455,108,537	429,864,664	404,018,757	817,224,215	865,705,447	669,277,382
Total	\$ 518,763,453	\$ 560,535,650	\$ 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	\$ 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
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%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	60.36%	57.68%	56.41%	65.59%	58.27%	58.76%	59.27%	39.83%	35.22%	42.49%

* 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*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 4,275,605	\$ 4,165,803	\$ 4,129,292	\$ 3,985,556	\$ 3,447,968	\$ 3,410,481	\$ 3,208,753	\$ 3,115,028	\$ 3,028,050	\$ 2,880,649
Contributions in relation to the contractually required contribution	<u>(4,275,605)</u>	<u>(4,165,803)</u>	<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>
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	\$ 123,162,809	\$ 116,973,472	\$ 114,532,838	\$ 110,432,196	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	\$ 92,888,014	\$ 87,536,568
Contributions as a percentage of covered-employee payroll	3.47%	3.56%	3.61%	3.61%	3.27%	3.30%	3.24%	3.24%	3.26%	3.29%

* 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*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of net pension liability	1.087675%	1.142493%	1.134835%	1.175779%	1.183459%	1.056374%	1.046308%	1.061296%	1.058814%	1.053916%
District's proportionate share of the net pension liability	\$ 65,047,574	\$ 73,308,159	\$ 82,037,375	\$ 74,965,134	\$ 90,770,326	\$ 74,295,524	\$ 63,723,346	\$ 62,120,918	\$ 52,131,983	\$ 45,313,405
Total net pension liability	\$ 5,980,423,768	\$ 6,416,508,407	\$ 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
District's covered-employee payroll	\$ 34,093,759	\$ 33,158,494	\$ 31,373,416	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	\$ 25,831,625	\$ 25,264,462	\$ 24,096,211
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	190.79%	221.08%	261.49%	249.62%	299.50%	278.81%	245.74%	240.48%	206.35%	188.05%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	54.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%

* 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%.

2023: The assumed investment rate of return was increased from 6.25% to 6.50%.

BOONE COUNTY SCHOOL DISTRICT
Schedule of District Contributions - CERS

	Last 10 Fiscal Years*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 7,104,513	\$ 7,959,614	\$ 8,883,158	\$ 8,455,606	\$ 7,225,599	\$ 7,292,836	\$ 5,723,896	\$ 4,973,632	\$ 4,825,467	\$ 4,310,381
Contributions in relation to the contractually required contribution	<u>(7,104,513)</u>	<u>(7,959,614)</u>	<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>
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	\$35,829,204	\$34,093,759	\$33,158,494	\$31,373,416	\$30,031,586	\$30,306,885	\$26,647,709	\$25,931,627	\$25,831,625	\$25,264,462
Contributions as a percentage of of covered-employee payroll	19.83%	23.35%	26.79%	26.95%	24.06%	24.06%	21.48%	19.18%	18.68%	17.06%

* 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*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the collective trust OPEB liability	0%	0%	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	733,000	880,000	967,000	404,000	1,050,000	920,000	815,000	622,000	*	*
Total net OPEB liability	\$ 733,000	\$ 880,000	\$ 967,000	\$ 1,050,000	\$ 920,000	\$ 815,000	\$ 622,000	\$ 622,001	*	*
District's covered-employee payroll	\$ 116,973,472	\$ 114,532,838	\$ 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%	0.0%	0.0%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	80.56%	76.91%	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, 2024:

Valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	23 Years
Asset valuation method	Five-year smoothed value
Inflation	2.50%
Real wage growth	0.50%
Wage inflation	2.75%
Salary increases, including wage inflation	3.00% - 7.50%
Discount rate	7.10%

BOONE COUNTY SCHOOL DISTRICT

Schedule of District Contributions - LIF

	Last 10 Fiscal Years*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	*
Contribution deficiency	-	-	-	-	-	-	-	-	-	*
District's covered-employee payroll	\$ 123,162,809	\$ 116,973,472	\$ 114,532,838	\$ 110,432,196	\$ 105,289,740	\$ 103,463,849	\$ 99,077,449	\$ 96,090,393	\$ 92,888,014	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. 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*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the collective trust OPEB liability	1.618483%	1.731329%	2.382705%	1.742229%	1.717691%	1.675586%	1.588400%	2.850100%	*	*
District's proportionate share of the collective net OPEB liability	\$ 36,076,000	\$ 42,169,000	\$ 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	\$ 32,139,000	\$ 35,542,000	\$ 19,432,000	\$ 30,360,000	\$ 34,725,000	\$ 39,604,000	\$ 47,496,000	\$ 46,435,000	*	*
Total net OPEB liability	\$ 68,215,000	\$ 77,711,000	\$ 78,583,000	\$ 67,743,000	\$ 78,075,000	\$ 88,645,000	\$ 102,609,000	\$ 103,281,000	*	*
District's covered-employee payroll	\$ 116,973,472	\$ 114,532,838	\$ 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	30.8%	36.8%	53.6%	35.5%	143.0%	184.0%	212.5%	220.1%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	59.81%	52.97%	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

Changes to assumptions

2023: The health care trend rates, as well as the TRS 4 retirement decrements, were updated to reflect future anticipated experience.

2024: The health care trend rates, as well as the morbidity factors, were updated to reflect future anticipated experience.

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*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 3,360,834	\$ 3,280,580	\$ 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>(3,360,834)</u>	<u>(3,280,580)</u>	<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>
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	\$ 123,162,809	\$ 116,973,472	\$ 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	2.73%	2.80%	2.76%	2.80%	2.88%	2.82%	2.86%	2.84%	*	*

* 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*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the collective trust OPEB liability	1.088502%	1.142480%	1.134645%	1.175504%	1.183132%	1.056109%	1.044627%	1.061296%	*	*
District's proportionate share of the collective net OPEB liability	\$ (1,882,892)	\$ (1,577,384)	\$ 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	\$ (1,882,892)	\$ (1,577,384)	\$ 22,392,374	\$ 22,504,436	\$ 28,569,040	\$ 17,763,278	\$ 18,576,280	\$ 21,335,680	*	*
District's covered-employee payroll	\$ 34,093,759	\$ 33,158,494	\$ 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	-5.5%	-4.8%	71.4%	74.9%	94.3%	66.7%	71.6%	82.6%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	104.89%	104.23%	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.

2023: The health care trend rates were increased to reflect future anticipated experience.

2024: The discount rate used to calculate total OPEB liability increased from 5.93% to 5.99%.

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

	Last 10 Fiscal Years*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ -	\$ 1,124,283	\$ 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	-	(1,124,283)	(1,308,584)	(1,429,544)	(1,442,975)	(1,401,604)	(1,218,835)	\$ (1,222,231)	*	*
Contribution deficiency	-	-	-	-	-	-	-	-	*	*
District's covered-employee payroll	\$ 35,829,204	\$ 34,093,759	\$ 33,158,494	\$ 31,373,416	\$ 30,031,586	\$ 30,306,885	\$ 26,647,709	\$ 25,931,627	*	*
Contributions as a percentage of covered-employee payroll	0.00%	3.30%	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, 2025**

<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, 2025</u>
<u>U.S. Department of Education</u>			
<i>Passed through Kentucky Department of Education</i>			
Special Education Cluster			
Special Education_Grants to States	84.027	3810002 23	\$ 137,255
Special Education_Grants to States	84.027	3810002 24	3,999,323
Special Education_Grants to States	84.027	3810002 25	1,115,323
Special Education_Preschool Grants	84.173	3800002 24	41,835
Special Education_Preschool Grants	84.173	3800002 25	182,653
Total Special Education Cluster			<u>5,476,389</u>
Title I Grants to Local Educational Agencies	84.010A	3100002 22	1,092
Title I Grants to Local Educational Agencies	84.010A	3100002 23	299,536
Title I Grants to Local Educational Agencies	84.010A	3100002 24	853,637
Title I Grants to Local Educational Agencies	84.010A	3100002 25	1,869,505
Title I School Improvement Funds	84.010A	3100202-21	78,164
Total ALN #84.010			<u>3,101,935</u>
Career and technical Education -Basic Grants to States	84.048	3710002 24	19,630
Career and technical Education -Basic Grants to States	84.048	3710002 25	170,682
Total ALN #84.048			<u>190,312</u>
English Language Acquisition State Grants	84.365	3300002 24	50,356
English Language Acquisition State Grants	84.365	3300002 25	70,155
Total ALN #84.365			<u>120,511</u>
Title II Improving Teacher Quality State Grants	84.367	3230002 23	64,138
Title II Improving Teacher Quality State Grants	84.367	3230002 24	455,726
Title II Improving Teacher Quality State Grants	84.367	3230002 21	129,455
Total ALN #84.367			<u>649,319</u>
Title IV-Part A Student Support & Academic Enrichment Grant	84.424A	3420002-25	196,128
Total ALN #84.424			<u>196,128</u>
Digital Learning Coaches	84.425D	4000003-23	447
Digital Learning Coaches	84.425D	4000003-24	3,597
FY21 Elementary & Secondary School Emergency Relief Fund II	84.425D	4200002 21	3,879,198
FY22 American Relief Plan-Homeless Children & Youth Phase II	84.425W	4980002-21	24,306
ARP - Local Laboratories of Learning	84.425U	4300003-21	28,000
Total ALN #84.425			<u>3,935,548</u>
Total U.S. Department of Education			<u>13,670,143</u>
<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 24	1,251,835
National School Lunch Program	10.555	7750002 25	5,412,353
School Breakfast Program	10.553	7760005 24	382,708
School Breakfast Program	10.553	7760005 25	1,706,395
Summer Food Service Program for Children'	10.559	7740023 24	6,411
Summer Food Service Program for Children'	10.559	7690024 24	657
			<u>8,760,359</u>
National School Lunch Program - Food Donation	10.555	Not provided	887,062
Total Child Nutrition Cluster			<u>9,647,421</u>
P-EBT Schools Payment	10.649	9990000 22	12,000
Total U.S. Department of Agriculture			<u>9,659,421</u>
Total Expenditures of Federal Awards			<u>\$ 23,329,564</u>

BOONE COUNTY SCHOOL DISTRICT

**Notes Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

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, 2025 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, 2025, the District reported food commodities expended in the amount of \$887,062.

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, 2025.

**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, 2025, 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 February 24, 2026.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2025-02 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2025-01 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

**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)**

Report on Compliance and Other Matters (Continued)

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters that we reported to management of the District on pages 87 to 100.

Boone County School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Boone County School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Boone County School District response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, 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.



Crestview Hills, Kentucky
February 24, 2026

**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, 2025. Boone County School District's major federal programs are identified in the summary of auditors' 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, 2025.

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 Auditors' 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.

Auditors' 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.

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

Auditors' Responsibilities for the Audit of Compliance (Continued)

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.

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

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

Report on Internal Control Over Compliance (Continued)

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is no suitable for any other purpose.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
February 24, 2026

BOONE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

SECTION I -SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes 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 auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs

CFDA No.	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? X Yes No

BOONE COUNTY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

2025-01: Model procurement policies were not followed

Criteria – Per best practices recommend by the Kentucky Department of Education, model procurement procedures dictate that purchases between \$2,500 to \$39,999 require three written quotes of competitive vendors and approval of the one that was utilized and purchases over \$40,000 are required to perform competitive bidding before purchase.

Condition – During the testing of disbursements, it was noted that documentation of model procurement procedures performed could not be provided for review of purchases or the quotes were not obtained before purchase.

Effect – Model procurement policies were not properly followed.

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

Recommendation – We recommend that written quotes should be obtained and retained with the purchase documentation for any purchases over \$2,500 to \$39,999. Additionally, any documentation related to exemptions from the model procurement process (i.e. emergency purchases) should be retained with the purchase documentation as well.

Board Response – Procedures related to purchasing processes will be reviewed and adjusted as necessary to ensure compliance with Board policy and Model Procurement Law.

2025-02: Miscalculated capital assets

Criteria – All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Per GASB 34, land improvements are to be depreciated over their useful lives.

Condition – During the audit, it was identified that a vehicle was overvalued when placed into service prior to FY25 and prior accumulated depreciation was miscalculated for land improvements and building improvements.

Effect – A prior period adjustment related to the value of capital assets and corresponding accumulated depreciation that affected the net position of the District.

Cause – Internal controls around recording capital assets were not properly implemented on executed.

Recommendation – We recommend that the District record asset additions at cost and that the District review it's current asset listing to ensure that all items are recorded at cost. Additionally, the District should depreciate land improvements and use the acquisition cost as the base for depreciation for all capital assets.

Board Response - We agree with the auditors' recommendations, and the following action will be taken to improve the situation. The finance department of the District will review the capital assets records to review any discrepancies.

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, 2025**

SECTION I – SUMMARY OF PRIOR YEAR AUDITOR’S RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2024-01: Model procurement policies were not followed

Summary of Finding: During the testing of disbursements, it was noted that documentation of model procurement procedures performed could not be provided for review of purchases or the quotes were not obtained before purchase.

Status: See 2025-01.

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, 2025

In planning and performing our audit of the financial statements of Boone County School District for the year ended June 30, 2025, 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 February 24, 2026 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated February 24, 2026, on the financial statements of the Boone County School District.

CURRENT YEAR RECOMMENDATIONS

ACTIVITY FUNDS

Boone County High School

2025-03: Multiple receipt forms not signed by students

Criteria – Per best practices recommended by the Kentucky Department of Education, multiple receipt forms should be signed by the high school students.

Condition – During the testing of Activity Funds, it was noted that multiple receipt forms were being signed by the teachers for the students.

Effect – Policies on receipts were not properly followed.

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

Recommendation – We recommend that multiple receipt forms are signed by the students for amounts provided to the activity funds, collected by the school employee, and reviewed by the bookkeeper.

Board Response – The school bookkeeper and principal will review all multiple receipt forms to ensure they are completed appropriately with student signatures as required.

2025-04: Long Outstanding Checks

Criteria – Per best practices recommended by the Kentucky Department of Education, outstanding checks carried long than 12 months.

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

Effect – Proper procedures over reporting were not properly followed.

Cause – Internal controls on receipts 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 and principal will review outstanding checks on a monthly basis and follow up/void those checks that are over a year old.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

Boone County High School (Continued)

2025-05: 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.

Conner High School

No matters are reportable

Cooper High School

2025-06: Purchasing of gift cards

Criteria – Per best practices recommended by the Kentucky Department of Education, gift cards cannot be purchased with school activity funds.

Condition – During the testing of Activity Funds, it was noted that a school employee purchased gift cards on the school credit card.

Effect – Policies on purchasing were not properly followed.

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

Recommendation – We recommend that gift cards are not purchased with school activity funds.

Board Response – The school bookkeeper has added a note to the credit card sign in/out sheet that gift card purchases are not allowed.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

Cooper High School (Continued)

2025-07: Long Outstanding Checks

Criteria – Per best practices recommended by the Kentucky Department of Education, outstanding checks carried long than 12 months.

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

Effect – Proper procedures over reporting were not properly followed.

Cause – Internal controls on receipts 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 and principal will review outstanding checks on a monthly basis and follow up/void those checks that are over a year old.

2025-08: Deposit slip did show receipt number

Criteria – Per best practices recommended by the Kentucky Department of Education, deposit slip should show the receipt numbers that are included in the deposit

Condition – During the testing of Activity Funds, it was noted that the deposit slip did not show which receipt numbers were included

Effect – Proper procedures over reporting were not properly followed.

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

Recommendation – We recommend that the school bookkeeper and principal review all deposit slips to ensure they show which receipt numbers are included in the deposit.

Board Response – The school bookkeeper and principal will review deposit slip prior to depositing the funds.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

Larry A. Ryle High School

2025-09: Multiple receipt forms not signed by students

Criteria – Per best practices recommended by the Kentucky Department of Education, multiple receipt forms should be signed by the high school students.

Condition – During the testing of Activity Funds, it was noted that multiple receipt forms were being signed by the teachers for the students.

Effect – Policies on receipts were not properly followed.

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

Recommendation – We recommend that multiple receipt forms are signed by the students for amounts provided to the activity funds, collected by the school employee, and reviewed by the bookkeeper.

Board Response – The school bookkeeper and principal will review all multiple receipt forms to ensure they are completed appropriately with student signatures as required.

2025-10: Long Outstanding Checks

Criteria – Per best practices recommended by the Kentucky Department of Education, outstanding checks carried long than 12 months.

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

Effect – Proper procedures over reporting were not properly followed.

Cause – Internal controls on receipts 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 and principal will review outstanding checks on a monthly basis and follow up/void those checks that are over a year old.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

Larry A. Ryle High School (Continued)

2025-11: Deposit slip did show receipt number

Criteria – Per best practices recommended by the Kentucky Department of Education, deposit slip should show the receipt numbers that are included in the deposit

Condition – During the testing of Activity Funds, it was noted that the deposit slip did not show which receipt numbers were included

Effect – Proper procedures over reporting were not properly followed.

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

Recommendation – We recommend that the school bookkeeper and principal review all deposit slips to ensure they show which receipt numbers are included in the deposit.

Board Response – The school bookkeeper and principal will review deposit slip prior to depositing the funds.

Boone County Adult High School

No matters are reportable

Ballyshannon Middle School

2025-12: 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.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

Ballyshannon Middle School (Continued)

2025-13: Invoice support / deposit support not retained

Criteria – Per best practices recommended by the Kentucky Department of Education, invoice / deposit support should be kept by the schools.

Condition – During the testing of Activity Funds, it was noted that not all expenditures and receipts had support for each transaction.

Effect – Policies on disbursements and receipts were not properly followed.

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

Recommendation – We recommend that invoices or receipts are retained and logged by the bookkeeper.

Board Response – The school bookkeeper and Principal will review expenditures before they are paid to ensure there is proper invoice or receipt support to verify the expenditure is valid. They will also review each receipt to insure proper documentation is kept for each.

Camp Ernst Middle School

No matters are reportable

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

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

Burlington Elementary

2025-14: 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.

Collins Elementary

No matters are reportable

Erpenbeck Elementary

No matters are reportable

Florence Elementary

2025-15: 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.

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

Florence Elementary (Continued)

2025-16: Purchase order not marked as approved

Criteria – Per best practices recommended by the Kentucky Department of Education, purchase orders shall be mark approved.

Condition – During the testing of Activity Funds, it was noted that the purchase order was not marked as approved.

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 purchase get marked approved prior to a check being written.

Board Response – The school bookkeeper and the principal will approve each purchase order prior to a check being written.

Goodridge Elementary

No matters are reportable

Charles H. Kelly Elementary

2025-17: Long Outstanding Checks

Criteria – Per best practices recommended by the Kentucky Department of Education, outstanding checks carried long than 12 months.

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

Effect – Proper procedures over reporting were not properly followed.

Cause – Internal controls on receipts 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 and principal will review outstanding checks on a monthly basis and follow up/void those checks that are over a year old.

Longbranch Elementary

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

Shirley Mann Elementary

2025-18: 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.

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

No matters are reportable

Steeplechase Elementary

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

CURRENT YEAR RECOMMENDATIONS (Continued)

CENTRAL OFFICE

No matters reportable

FOOD SERVICE DEPARTMENT

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Boone County High School

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

Current year follow-up: No such instances noted

Conner High School

Statement of prior year deficiency: It was noted that gift cards were purchased.

Current year follow-up: No such instances noted

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

Current year follow-up: No such instances noted

Cooper High School

Statement of prior year deficiency: It was noted there were long outstanding checks.

Current year follow-up: See item 2025-07

Larry A. Ryle High School

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

Current year follow-up: See item 2025-09

Boone County Adult High School

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Ballyshannon Middle School

Statement of prior year deficiency: It was noted that there were negative year end balances.

Current year follow-up: No such instances noted

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

Current year follow-up: See item 2025-11

Statement of prior year deficiency: It was noted that there were checks that were dated before the date worked.

Current year follow-up: No such instances noted

Statement of prior year deficiency: It was noted that employee's family members paid with checks approved by the Employee.

Current year follow-up: No such instances noted

Camp Ernst Middle School

No matters are reportable

Conner Middle School

Statement of prior year deficiency: It was noted that there were instances where invoice support was not retained.

Current year follow-up: No such instances noted

Gray Middle School

Statement of prior year deficiency: It was noted that there were instances where invoices were not marked as paid.

Current year follow-up: No such instances noted

Ockerman Middle School

No matters are reportable

R.A. Jones Middle School

No matters are reportable

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Burlington Elementary

Statement of prior year deficiency: It was noted there were long outstanding checks.

Current year follow-up: No such instances noted

Collins Elementary

Statement of prior year deficiency: It was noted there were monthly financial report not signed timely.

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

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

BOONE COUNTY SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2025**

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Thornwilde Elementary

No matters are reportable

Yealey Elementary

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

Current year follow-up: No such instances noted

Statement of prior year deficiency: It was noted that monthly financial reports were not signed timely.

Current year follow-up: No such instances noted

Statement of prior year deficiency: It was noted that there were long outstanding checks.

Current year follow-up: No such instances noted

Steeplechase Elementary

No matters are reportable

CENTRAL OFFICE

No matters are reportable

FOOD SERVICE DEPARTMENT

No matters are reportable