

Bullitt County School District

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

BULLITT COUNTY SCHOOL DISTRICT

June 30, 2025

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bullitt County School District as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Bullitt County School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bullitt County School District, as of June 30, 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 Bullitt County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Effect of Adopting New Accounting Standard

As discussed in Note 20 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.

Responsibilities of Management for the Financial Statements

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

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

**Independent Auditors' Report
(Continued)**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Bullitt County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bullitt County School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (unaudited), budgetary comparison and pension liability and OPEB liability and contributions information on pages 4-8, 52-54, and 63-72 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.

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Independent Auditors' Report (Continued)

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the Bullitt County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bullitt County School District's internal control over financial reporting and compliance.



December 18, 2025
Crestview Hills, Kentucky

BULLITT COUNTY SCHOOL DISTRICT

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

As management of the Bullitt County School District (District), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

Overview

- The ending cash balance for the District was \$97.6 million. The most significant cash balance was for the Construction Fund of \$53.0 million. The Construction Fund had \$56.9 million in cash at June 30, 2024.
- The General Fund had \$152.9 million in revenue, which primarily consisted of the state program (SEEK), state on-behalf payments, property, utilities, and motor vehicle taxes. Excluding interfund transfers, there were \$147.7 million in General Fund expenditures.

USING THIS ANNUAL REPORT

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

District-wide financial statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Assets, liabilities, deferred inflows/outflows, revenues, and expenses are reported using the full accrual basis of accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

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

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

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

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

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

BULLITT COUNTY SCHOOL DISTRICT

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

FINANCIAL HIGHLIGHTS (CONTINUED)

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

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

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

BULLITT COUNTY SCHOOL DISTRICT

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

DISTRICT-WIDE FINANCIAL ANALYSIS

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, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Current assets	\$ 100,862,225	\$ 105,592,713
Noncurrent assets	<u>345,569,927</u>	<u>278,957,600</u>
Total assets	<u>446,432,152</u>	<u>384,550,313</u>
Deferred outflows	25,579,093	30,744,155
Current liabilities	25,844,051	22,624,831
Noncurrent liabilities	<u>314,773,263</u>	<u>271,141,870</u>
Total liabilities	<u>340,617,314</u>	<u>293,766,701</u>
Deferred inflows	<u>35,237,804</u>	<u>44,056,134</u>
Net position		
Investment in capital assets (net of debt)	74,488,775	53,538,566
Restricted	48,106,061	55,360,556
Unrestricted	<u>(26,438,709)</u>	<u>(31,427,489)</u>
Total net position	<u><u>\$ 96,156,127</u></u>	<u><u>\$ 77,471,633</u></u>

Comments on General Fund Budget Comparisons

- The District's total revenues in the General Fund for the fiscal year ended June 30, 2025, were \$151,655,606, before inter-fund transfers and proceeds on disposal of fixed assets of \$1,098,192 and \$194,714, respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$13,578,249 more than budget or approximately 9.74% of General Fund Budget.
- General Fund actual expenditures were \$147,749,837, net of inter-fund transfers of \$1,556,363.
- General Fund actual expenditures were less than budgeted expenditures by \$10,216,500.

BULLITT COUNTY SCHOOL DISTRICT**Management's Discussion and Analysis (MD&A - Unaudited) (Continued)**
Year Ended June 30, 2025**DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2025 and 2024.

	2025	2024
Revenues		
Program revenues		
Charges for services	\$ 1,810,636	\$ 1,887,721
Operating grants	19,506,291	24,600,537
Capital grants and contributions	683,501	-
Total grant revenues	22,000,428	26,488,258
General Revenues		
Taxes	91,284,245	82,574,345
Grants and entitlements	97,315,698	98,133,307
Earnings on investments	4,944,397	4,256,698
Other local sources (uses)	(1,405,874)	(4,098,864)
Total general revenues	192,138,466	180,865,486
Total revenues	214,138,894	207,353,744
Expenses		
Instructional	107,783,587	104,787,112
Student support services	6,929,714	6,616,156
Staff support	13,569,201	12,684,718
District administration	3,736,023	3,895,432
School administration	11,362,489	10,756,643
Business support	3,695,500	3,427,382
Plant operations	19,373,932	17,875,135
Student transportation	8,222,876	8,362,893
Food service operation	8,140,457	8,221,137
Day care	9,547	53,129
Community service	1,219,426	1,406,731
Other	1,749	688,769
Interest on long-term debt	9,119,819	6,659,025
Total expenses	193,164,320	185,434,262
Change in net position	\$ 20,974,574	\$ 21,919,482

BULLITT COUNTY SCHOOL DISTRICT

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

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Governmental				
Capital assets	\$ 421,434	\$ 74,807	\$ 2,157	\$ 494,084
Accumulated depreciation	143,544	8,720	1,032	151,232
Business-type				
Capital assets	4,468	776	397	4,847
Accumulated depreciation	3,956	156	377	3,735
Bonds payable	\$ 216,860	\$ 55,735	\$ 11,800	\$ 260,795

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

BULLITT COUNTY SCHOOL DISTRICT

Statement of Net Position – District Wide As of June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and cash equivalents	\$ 96,292,664	\$ 1,295,738	\$ 97,588,402
Accounts receivable	2,927,064	235,496	3,162,560
Inventories for consumption	-	111,263	111,263
Total current	<u>99,219,728</u>	<u>1,642,497</u>	<u>100,862,225</u>
Noncurrent:			
Right of use assets	3,398,367	-	3,398,367
Less: accumulated amortization	(1,792,573)	-	(1,792,573)
Construction in progress	120,951,405	-	120,951,405
Nondepreciated capital assets:			
Land	8,646,269	-	8,646,269
Depreciated capital assets:			
Land improvements	1,147,979	-	1,147,979
Buildings and improvements	343,273,818	-	343,273,818
Furniture and equipment	20,064,057	4,846,913	24,910,970
Less: accumulated depreciation	<u>(151,231,233)</u>	<u>(3,735,075)</u>	<u>(154,966,308)</u>
Total noncurrent	<u>344,458,089</u>	<u>1,111,838</u>	<u>345,569,927</u>
Total assets	<u>443,677,817</u>	<u>2,754,335</u>	<u>446,432,152</u>
Deferred outflows			
Deferred loss from refunding bonds	277,702	-	277,702
Deferred outflows from pension and OPEB liabilities	<u>23,583,715</u>	<u>1,717,676</u>	<u>25,301,391</u>
Total deferred outflows	<u>23,861,417</u>	<u>1,717,676</u>	<u>25,579,093</u>
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	12,250,000	-	12,250,000
Current portion of lease liability	962,095	-	962,095
Accounts payable	7,191,882	8,632	7,200,514
Accrued interest	2,260,540	-	2,260,540
Accrued compensated absences	1,803,468	-	1,803,468
Unearned revenues	<u>1,367,434</u>	<u>-</u>	<u>1,367,434</u>
Total current	<u>25,835,419</u>	<u>8,632</u>	<u>25,844,051</u>
Noncurrent:			
Accrued compensated absences	1,817,383	-	1,817,383
Lease liability	682,325	-	682,325
MIF net OPEB liability - TRS	19,966,000	-	19,966,000
MIF net OPEB asset	(899,080)	(148,085)	(1,047,165)
CERS net pension liability	31,053,274	5,114,714	36,167,988
Bond obligations	<u>257,186,732</u>	<u>-</u>	<u>257,186,732</u>
Total noncurrent	<u>309,806,634</u>	<u>4,966,629</u>	<u>314,773,263</u>
Total liabilities	<u>335,642,053</u>	<u>4,975,261</u>	<u>340,617,314</u>
Deferred inflows	<u>32,450,957</u>	<u>2,786,847</u>	<u>35,237,804</u>
Net Position			
Invested in capital assets, net of related debt	73,376,937	1,111,838	74,488,775
Restricted	52,507,996	(4,401,935)	48,106,061
Unrestricted	<u>(26,438,709)</u>	<u>-</u>	<u>(26,438,709)</u>
Total net position	<u>\$ 99,446,224</u>	<u>\$ (3,290,097)</u>	<u>\$ 96,156,127</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instructional	\$ 107,783,587	\$ 174,832	\$ 7,906,191	\$ -	\$ (99,702,564)	\$ -	\$ (99,702,564)
Student support services	6,929,714	-	314,362	-	(6,615,352)	-	(6,615,352)
Staff support services	13,569,201	-	1,865,850	-	(11,703,351)	-	(11,703,351)
District administration	3,736,023	-	235,563	-	(3,500,460)	-	(3,500,460)
School administration	11,362,489	-	408,682	-	(10,953,807)	-	(10,953,807)
Business support services	3,695,500	-	664,261	-	(3,031,239)	-	(3,031,239)
Plant operation and maintenance	19,373,932	-	98,728	-	(19,275,204)	-	(19,275,204)
Student transportation	8,222,876	-	119,471	-	(8,103,405)	-	(8,103,405)
Food service operations	9,547	-	9,547	-	-	-	-
Community service operations	1,219,426	-	1,189,916	-	(29,510)	-	(29,510)
Other instructional	1,749	-	1,749	-	-	-	-
Interest on long-term debt	9,119,819	-	-	-	(9,119,819)	-	(9,119,819)
Total governmental activities	185,023,863	174,832	12,814,320	-	(172,034,711)	-	(172,034,711)
Business-type activities							
Food service	8,140,457	1,635,804	6,691,971	683,501	-	870,819	870,819
Total business-type activities	8,140,457	1,635,804	6,691,971	683,501	-	870,819	870,819
Total school district	\$ 193,164,320	\$ 1,810,636	\$ 19,506,291	\$ 683,501	(172,034,711)	870,819	(171,163,892)
General revenues:							
Taxes					91,284,245	-	91,284,245
State and federal sources					97,315,698	-	97,315,698
Investment earnings					4,871,701	72,696	4,944,397
Other local uses					(3,553,029)	-	(3,553,029)
Activity fund income					3,036,358	-	3,036,358
District activity fund revenue					56,792	-	56,792
Special items:							
Loss on sale of assets					(930,502)	(15,493)	(945,995)
Fund transfer					402,887	(402,887)	-
Total general and special revenues					192,484,150	(345,684)	192,138,466
Change in net position					20,449,439	525,135	20,974,574
Net position - beginning					81,286,865	(3,815,232)	77,471,633
Net position adjustment (Note 20)					(2,290,080)	-	(2,290,080)
Net position - ending					\$ 99,446,224	\$ (3,290,097)	\$ 96,156,127

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Balance Sheet – Governmental Funds As of June 30, 2025

	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Assets					
Current:					
Cash and cash equivalents	\$ 39,575,601	\$ 334,780	\$ 53,038,039	\$ 3,344,244	\$ 96,292,664
Accounts receivable	<u>1,204,027</u>	<u>1,708,706</u>	<u>-</u>	<u>14,331</u>	<u>2,927,064</u>
Total assets	<u>\$ 40,779,628</u>	<u>\$ 2,043,486</u>	<u>\$ 53,038,039</u>	<u>\$ 3,358,575</u>	<u>\$ 99,219,728</u>
Liabilities and Fund Balances					
Liabilities					
Current:					
Accounts payable	\$ 734,250	\$ 182,407	\$ 6,247,847	\$ 27,378	\$ 7,191,882
Unearned revenue	<u>82,536</u>	<u>1,284,898</u>	<u>-</u>	<u>-</u>	<u>1,367,434</u>
Total liabilities	<u>816,786</u>	<u>1,467,305</u>	<u>6,247,847</u>	<u>27,378</u>	<u>8,559,316</u>
Fund Balances					
Restricted:					
Capital projects	-	-	46,790,192	-	46,790,192
Debt service	-	-	-	1,726	1,726
Grants	-	576,181	-	-	576,181
Other	-	-	-	3,329,471	3,329,471
Committed:					
Sick leave	1,810,426	-	-	-	1,810,426
Assigned:					
Purchase obligations	2	-	-	-	2
Other	3,182,059	-	-	-	3,182,059
Unassigned	<u>34,970,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,970,355</u>
Total fund balances	<u>39,962,842</u>	<u>576,181</u>	<u>46,790,192</u>	<u>3,331,197</u>	<u>90,660,412</u>
Total liabilities and fund balances	<u>\$ 40,779,628</u>	<u>\$ 2,043,486</u>	<u>\$ 53,038,039</u>	<u>\$ 3,358,575</u>	<u>\$ 99,219,728</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

**Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2025**

Total governmental fund balance		\$ 90,660,412
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of right of use assets	3,398,367	
Accumulated amortization	(1,792,573)	
Construction in process	120,951,405	
Cost of capital assets	373,132,123	
Accumulated depreciation	<u>(151,231,233)</u>	344,458,089
Deferred outflows related to CERS	4,560,360	
Deferred outflows for CERS contributions made after the measurement date	3,467,037	
Deferred outflows related to MIF	15,556,318	
Deferred outflows for bond refinancing	<u>277,702</u>	23,861,417
Deferred inflows related to CERS	(6,816,508)	
Deferred inflows related to MIF	<u>(25,634,449)</u>	(32,450,957)
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		(260,795,000)
Bond discount		1,313,047
Bond premium		(9,954,779)
Lease liability		(1,644,420)
Accrued interest on bonds		(2,260,540)
Net pension liability		(31,053,274)
Net OPEB liability - CERS		899,080
Net OPEB liability - TRS MIF		(19,966,000)
Accrued compensated absences		<u>(3,620,851)</u>
Total net position - governmental		<u><u>\$ 99,446,224</u></u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds For The Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 74,144,748	\$ 68,723	\$ -	\$ 17,070,774	\$ 91,284,245
Earnings on investments	1,891,765	27,867	2,894,312	57,757	4,871,701
State sources	74,040,226	5,306,978	-	6,269,558	85,616,762
Federal sources	555,043	6,831,889	-	-	7,386,932
Other local sources	1,023,824	675,453	33,500	3,093,150	4,825,927
Total revenues	151,655,606	12,910,910	2,927,812	26,491,239	193,985,567
Expenditures					
Instructional	92,098,847	8,734,930	-	2,575,463	103,409,240
Student support services	6,525,299	314,362	-	8,842	6,848,503
Staff support services	11,509,603	1,865,850	-	176,561	13,552,014
District administration	3,379,951	235,563	-	-	3,615,514
School administration	10,893,772	408,682	-	-	11,302,454
Business support services	3,031,239	664,261	-	-	3,695,500
Plant operation and maintenance	11,554,158	98,728	-	-	11,652,886
Student transportation	8,756,883	119,471	-	-	8,876,354
Food service operation	-	9,547	-	-	9,547
Community service operations	85	1,189,916	-	29,425	1,219,426
Facility acquisition and construction	-	-	73,284,101	-	73,284,101
Other instructional	-	1,749	-	-	1,749
Debt service:					
Principal	-	-	-	11,800,000	11,800,000
Interest	-	-	-	9,201,612	9,201,612
Total expenditures	147,749,837	13,643,059	73,284,101	23,791,903	258,468,900
Excess (deficit) of revenues over expenditures	3,905,769	(732,149)	(70,356,289)	2,699,336	(64,483,333)
Other financing sources (uses)					
Proceeds from sale of bonds	-	-	55,735,000	-	55,735,000
Bond premium	-	-	3,618,489	-	3,618,489
Bond discount	-	-	(169,505)	-	(169,505)
Proceeds on disposal of fixed assets	194,714	-	-	-	194,714
Operating transfers in	1,098,192	527,450	5,540,509	17,787,772	24,953,923
Operating transfers out	(1,556,363)	35,650	-	(23,030,323)	(24,551,036)
Total other financing sources (uses)	(263,457)	563,100	64,724,493	(5,242,551)	59,781,585
Net change in fund balance	3,642,312	(169,049)	(5,631,796)	(2,543,215)	(4,701,748)
Fund balance, July 1, 2024	36,320,530	745,230	52,421,988	5,874,412	95,362,160
Fund balance, June 30, 2025	\$ 39,962,842	\$ 576,181	\$ 46,790,192	\$ 3,331,197	\$ 90,660,412

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For The Year Ended June 30, 2025

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

Net changes-governmental funds	\$ (4,701,748)
<p>Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.</p>	
Depreciation expense	(8,719,692)
Capital outlays	74,807,131
Retirement of capital assets	<u>(1,125,216)</u>
	64,962,223
<p>Bond and finance lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>	
Bond principal paid	11,800,000
Bond proceeds	(55,735,000)
Bond premium	(3,618,489)
Bond discount	169,505
Amortization of bond discount and premium, net	429,786
Deferred outflows related to pensions	(1,134,049)
Deferred outflows related to other post-retirement employee benefits	(3,649,496)
Deferred outflows related to bond refundings	(81,762)
Deferred inflows related to pensions	2,904,789
Deferred inflows related to other post-retirement employee benefits	5,081,220
<p>Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>	
	<u>4,022,460</u>
Changes in net position of governmental activities	<u><u>\$ 20,449,439</u></u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT
Statement of Net Position – Proprietary Funds
As of June 30, 2025

	<u>Food Service</u>	<u>Total</u>
Assets		
Current		
Cash and cash equivalents	\$ 1,295,738	\$ 1,295,738
Accounts receivable	235,496	235,496
Inventories for consumption	111,263	111,263
Total current	<u>1,642,497</u>	<u>1,642,497</u>
Noncurrent		
Furniture and Fixtures	4,846,913	4,846,913
Less: accumulated depreciation	<u>(3,735,075)</u>	<u>(3,735,075)</u>
Total noncurrent	<u>1,111,838</u>	<u>1,111,838</u>
Total assets	<u>2,754,335</u>	<u>2,754,335</u>
Deferred outflows	<u>1,717,676</u>	<u>1,717,676</u>
Liabilities and Net Position		
Liabilities		
Current		
Accounts payable	<u>8,632</u>	<u>8,632</u>
Total current	<u>8,632</u>	<u>8,632</u>
Noncurrent		
MIF net OPEB asset	(148,085)	(148,085)
CERS net pension liability	<u>5,114,714</u>	<u>5,114,714</u>
Total noncurrent	<u>4,966,629</u>	<u>4,966,629</u>
Total liabilities	<u>4,975,261</u>	<u>4,975,261</u>
Deferred inflows	<u>2,786,847</u>	<u>2,786,847</u>
Net Position		
Invested in assets, net of debt	1,111,838	1,111,838
Restricted	<u>(4,401,935)</u>	<u>(4,401,935)</u>
Total net position	<u><u>\$ (3,290,097)</u></u>	<u><u>\$ (3,290,097)</u></u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
For The Year Ended June 30, 2025**

	Food Service	Total
Operating revenues		
Lunchroom sales	\$ 1,624,837	\$ 1,624,837
Other operating revenues	10,967	10,967
Total operating revenues	<u>1,635,804</u>	<u>1,635,804</u>
Operating expenses		
Salaries and benefits	3,843,085	3,843,085
Contract services	344,230	344,230
Materials and supplies	3,787,775	3,787,775
Depreciation	156,300	156,300
Other operating expenses	<u>9,067</u>	<u>9,067</u>
Total operating expenses	<u>8,140,457</u>	<u>8,140,457</u>
Operating loss	<u>(6,504,653)</u>	<u>(6,504,653)</u>
Nonoperating revenues (expenses)		
Federal grants	5,520,447	5,520,447
State grants	627,487	627,487
Donated commodities and other donations	544,037	544,037
Loss on sale of assets	(15,493)	(15,493)
Transfers out	(402,887)	(402,887)
Capital contribution	683,501	683,501
Interest income	<u>72,696</u>	<u>72,696</u>
Total nonoperating revenues	<u>7,029,788</u>	<u>7,029,788</u>
Change in net position	525,135	525,135
Total net position, July 1, 2024	<u>(3,815,232)</u>	<u>(3,815,232)</u>
Total net position, June 30, 2025	<u><u>\$ (3,290,097)</u></u>	<u><u>\$ (3,290,097)</u></u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Statement of Cash Flows – Proprietary Funds For The Year Ended June 30, 2025

	Food Service Fund	Total
Cash flows from operating activities		
Cash received from lunchroom sales	\$ 1,624,837	\$ 1,624,837
Cash used in other activities	6,228	6,228
Cash payments to employees for services	(4,333,798)	(4,333,798)
Cash payments to suppliers for goods and services	(4,185,795)	(4,185,795)
Cash transfers	(402,887)	(402,887)
Net cash used in operating activities	(7,291,415)	(7,291,415)
Cash flows from capital financing activities		
Loss on capital assets	(15,493)	(15,493)
Purchase of capital assets	(92,313)	(92,313)
Net cash used in capital financing activities	(107,806)	(107,806)
Cash flows from noncapital financing activities		
Non-operating revenues received	6,691,971	6,691,971
Net cash provided by noncapital financing activities	6,691,971	6,691,971
Cash flows from investing activities		
Interest on investments	72,696	72,696
Net cash provided by investing activities	72,696	72,696
Net decrease in cash and cash equivalents	(634,554)	(634,554)
Cash and cash equivalents - beginning	1,930,292	1,930,292
Cash and cash equivalents - ending	<u>\$ 1,295,738</u>	<u>\$ 1,295,738</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (6,504,653)	\$ (6,504,653)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	156,300	156,300
Loss on disposal of capital assets	19,663	19,663
Transfers	(402,887)	(402,887)
Changes in assets and liabilities:		
Increase in accounts receivable	(4,739)	(4,739)
Decrease in accounts payable	(14,050)	(14,050)
Decrease in deferred outflows	299,755	299,755
Increase in deferred inflows	(832,321)	(832,321)
Decrease in MIF net OPEB liability	(39,790)	(39,790)
Decrease in CERS net pension liability	81,643	81,643
Increase in inventories	(50,336)	(50,336)
Net cash used in operating activities	<u>\$ (7,291,415)</u>	<u>\$ (7,291,415)</u>
Schedule of non-cash transactions:		
Donated commodities received from federal government	<u>\$ 544,037</u>	<u>\$ 544,037</u>
On behalf payments	<u>\$ 573,929</u>	<u>\$ 573,929</u>
Contributions of assets from governmental funds	<u>\$ 683,501</u>	<u>\$ 683,501</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

Basis of Presentation

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

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

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

The District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.
- (B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the schedule of expenditures of federal awards included in this report on pages 73-74. This is a major fund of the District.
- (C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (Continued)

- (D) The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds
- (E) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).
 - 1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.
 - 2. The Facility Support Program of Kentucky Fund (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.
 - 3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$53,038,039 for ongoing projects. This is a major fund of the District.

II. Debt Service Fund

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

III. Proprietary Fund (Enterprise Fund)

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

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

Basis of Accounting

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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

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

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

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

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

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

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

Taxes

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

BULLITT 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 change 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

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

Prepaid Items

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

Capital Assets

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

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

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Accumulated Unpaid 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 101 and supersedes prior guidance under GASB Statement No. 16.

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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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

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

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

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

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

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

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The District recognizes a lease liability and right of use (ROU) asset in the statement of net position – District wide for all material leases with a term of more than 12 months. At lease commencement, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The ROU asset is initially measured at the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

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 CONCENTRATION OF CREDIT RISK

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 4 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

<u>Governmental Activities</u>	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025
Land	\$ 8,619,769	\$ 26,500	\$ -	\$ 8,646,269
Land improvements	1,147,979	-	-	1,147,979
Buildings and improvements	344,170,482	258,481	1,155,145	343,273,818
Technology equipment	5,247,242	47,563	710,126	4,584,679
Vehicles	12,031,621	1,231,895	229,983	13,033,533
General equipment	2,264,598	243,364	62,117	2,445,845
Construction work in progress	47,952,077	72,999,328	-	120,951,405
Totals at historical cost	<u>421,433,768</u>	<u>74,807,131</u>	<u>2,157,371</u>	<u>494,083,528</u>
Less: accumulated depreciation				
Land improvements	406,576	57,399	-	463,975
Buildings and improvements	127,796,397	7,596,571	65,958	135,327,010
Technology equipment	4,671,631	223,354	682,031	4,212,954
Vehicles	9,277,904	712,607	229,982	9,760,529
General equipment	1,391,188	129,761	54,184	1,466,765
Total accumulated depreciation	<u>143,543,696</u>	<u>8,719,692</u>	<u>1,032,155</u>	<u>151,231,233</u>
Governmental activities capital assets - net	<u>\$ 277,890,072</u>	<u>\$ 66,087,439</u>	<u>\$ 1,125,216</u>	<u>\$ 342,852,295</u>
 <u>Business - Type Activities</u>				
General equipment	\$ 4,438,297	\$ 775,814	\$ 389,681	\$ 4,824,430
Technology equipment	29,719	-	7,236	22,483
Totals at historical cost	<u>4,468,016</u>	<u>775,814</u>	<u>396,917</u>	<u>4,846,913</u>
Less: accumulated depreciation				
General equipment	3,926,310	156,300	370,018	3,712,592
Technology equipment	29,719		7,236	22,483
Total accumulated depreciation	<u>3,956,029</u>	<u>156,300</u>	<u>377,254</u>	<u>3,735,075</u>
Business - type activities capital assets - net	<u>\$ 511,987</u>	<u>\$ 619,514</u>	<u>\$ 19,663</u>	<u>\$ 1,111,838</u>

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense by function for the fiscal year ended June 30, 2025 was as follows:

	Governmental	Business-Type
Instruction	\$ 141,287	\$ -
Student support services	81,211	-
Staff support services	17,187	-
District administration	120,509	-
School administration	60,035	-
Business support services	-	-
Plant operation and maintenance	7,721,046	-
Food service	-	156,300
Student transportation	578,417	-
Total	<u>\$ 8,719,692</u>	<u>\$ 156,300</u>

NOTE 5 ACCUMULATED UNPAID 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. At June 30, 2025, this amount totaled approximately \$3,620,851.

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued. The original amount of each issue, the issue date, and interest rates are summarized below:

Issue Date	Proceeds	Rates
July 1, 2014	\$ 48,595,000	5.50% - 5.00%
October 1, 2015	20,370,000	2.00% - 3.375%
January 1, 2016	7,890,000	2.00% - 3.00%
June 1, 2017	16,945,000	2.00% - 5.00%
October 1, 2017	14,110,000	3.00% - 5.00%
June 1, 2018	9,775,000	2.00% - 4.00%
December 29, 2020	19,830,000	1.625% - 4.00%
September 16, 2021	24,410,000	2.00% - 2.50%
March 28, 2023	15,560,000	4.00% - 4.125%
August 9, 2023	26,120,000	4.00 - 5.00%
February 7, 2024	37,220,000	4.00 - 5.00%
September 17, 2024	55,735,000	3.875 - 5.00%

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT (CONTINUED)

The District entered into "participation agreements" for certain bonds with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 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 17.

NOTE 7 LEASES

The District has lease agreements computers that expire at various times between July 2024 and July 2028. Total annual payments of \$850,383 are required. There are no variable payments within the lease agreements.

The District also has a lease agreements for office equipment that expire at various times between July 2024 and July 2026. Monthly payments of \$9,487 and quarterly payments of \$680 are required. Variable payments associated with these leases was \$96,744 during the year ended June 30, 2025.

Interest rates of 3.0% to 4.0% were utilized to calculate the lease liability.

The following table shows the District's change in lease accounts for the year ended June 30, 2025:

Governmental Activities	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
ROU asset	\$ 1,752,869	\$ 2,136,976	\$ 491,478	\$ 3,398,367
ROU accum. amort.	\$ 1,197,328	1,086,723	491,478	\$ 1,792,573
Lease liability	\$ 574,239	2,136,976	1,066,795	\$ 1,644,420

Future minimum payments related to lease liabilities are shown below:

	Principal	Interest	Total
FY2026	\$ 962,095	\$ 61,620	\$ 1,023,715
FY2027	593,403	24,952	618,355
FY2028	88,922	3,549	92,471
	<u>\$ 1,644,420</u>	<u>\$ 90,121</u>	<u>\$ 1,734,541</u>

During the year ended June 30, 2025, the District entered into long-term lease agreements for computers beginning August 1, 2025. The leases require payments of \$429,248 for the years ending June 30, 2026 through June 30, 2028 and \$83,500 for the year ending June 30, 2029. The asset and liability are not recorded as of June 30, 2025 as the District does not have control of these assets at year-end.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 RETIREMENT PLANS

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

General information about the County Employees Retirement System Non-Hazardous

Plan description

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

Benefits provided

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

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

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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 RETIREMENT PLANS (CONTINUED)

Contributions

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

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

The contribution requirement for CERS for the year ended June 30, 2025, was \$5,170,811, which consisted of \$4,038,084 from the District and \$1,132,727 from the employees. Total contributions for the year ended June 30, 2024 and 2023 were \$5,640,690 and \$5,573,497, respectively. The contributions have been contributed in full for fiscal years 2025, 2024 and 2023.

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

Plan description

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 RETIREMENT PLANS (CONTINUED)

Benefits provided (Continued)

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

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 \$11,672,054 which consisted of \$2,589,165 from the District and \$9,082,889 from the employees. Total contributions for the year ended June 30, 2024 and 2023 were \$11,566,496 and \$11,168,890, 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.

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 8 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 members is contributed. Member contributions are 3.75% and 0.16% is paid from state appropriate. Employer contributions are 3.00%. 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	\$ 36,167,988
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>288,034,408</u>
	<u>\$ 324,202,396</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, 2024, the District's proportion was 0.604773%.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2025, the District recognized a reduction of pension expense of \$4,122,500 related to CERS. The District also recognized expense of \$16,500,473 and revenue of \$16,500,473 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	\$ 1,750,597	\$ -
Net difference between projected and actual earnings on pension plan investments	2,483,928	4,809,334
Changes of assumptions	-	1,634,083
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,076,962	1,495,822
District contributions subsequent to the measurement date	<u>4,038,084</u>	<u>-</u>
Total	<u><u>\$ 9,349,571</u></u>	<u><u>\$ 7,939,239</u></u>

\$4,038,084 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (2,299,768)
2026	1,084,170
2027	(893,913)
2028	(518,241)
2029	-

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	2.30%	2.50%
Projected salary increases	3.3 - 10.3%	3.0 - 7.5%
Investment rate of return, net of investment expense and inflation	6.50%	7.10%

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

For TRS, mortality rates were based on Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each groups: service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 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 2018 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. 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:

Asset Class	TRS Target Allocation	TRS Long-Term Expected Real Rate of Return	CERS Target Allocation	CERS Long-Term Expected Real Rate of Return
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	100%		100%	

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 RETIREMENT PLANS (CONTINUED)

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.

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	\$ 46,626,446	\$ 36,167,988	\$ 27,490,224
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net position

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

NOTE 9 OPEB PLANS

General information about the Teachers' Retirement System OPEB Plan

Plan description

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 9 OPEB PLANS (CONTINUED)

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

Medical Insurance Plan

Plan description

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

Benefits provided

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

Contributions

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

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/>.

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 9 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 8 for tier classifications.

Contributions

Required contributions by the employee are based on the tier disclosed in Note 8.

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

At June 30, 2025, the Bullitt County Schools District reported a liability of \$18,918,835 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, the District's proportion was 0.90 percent for TRS, which was a decrease of 0.04 percent from its proportion measured as of June 30, 2023. At June 30, 2024, the District's proportion was 0.61 percent for CERS, which was an increase of 0.03 percent from its proportion measured as of June 30, 2023.

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 (asset)	\$ (1,047,165)
District's proportionate share of the TRS net OPEB liability	19,966,000
State's proportionate share of the net OPEB liability associated with the District	<u>17,787,000</u>
	<u><u>\$ 36,705,835</u></u>

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 9 OPEB PLANS (CONTINUED)

For the year ended June 30, 2025, the District recognized reduction of OPEB expense of \$8,633,126 and revenue of \$1,657,082 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 580,955	\$ 14,235,124
Net difference between projected and actual earnings on OPEB plan investments	920,485	2,517,084
Change of assumptions	6,033,858	738,885
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,556,442	9,807,472
District contributions subsequent to the measurement date	1,860,080	-
Total	<u>\$ 15,951,820</u>	<u>\$ 27,298,565</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,860,080 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2025	\$ (5,033,261)
2026	(2,893,269)
2027	(2,794,743)
2028	(1,287,552)
2029	(1,107,000)
Thereafter	(91,000)

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 9 OPEB PLANS (CONTINUED)

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:

	TRS	CERS
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.00 - 7.50%, including wage inflation	3.30% to 10.30%, varies by service
Inflation rate	2.50%	2.30%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Under 65	6.50% for FY 2024 decreasing to an ultimate rate of 4.50% by FY 2031	Initial trend starting at 6.20% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Ages 65 and Older		Initial trend starting at 9.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 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, 2024 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

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

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2024 valuation.

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 9 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
Large Cap U.S. Equity	35.4%	5.0%
Small Cap U.S. Equity	2.6%	5.5%
Developed International Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	9.0%	1.9%
High Yield Bonds	8.0%	3.8%
Other Additional Categories	9.0%	3.7%
Real Estate	6.5%	3.2%
Private Equity	8.5%	8.0%
Cash	1.0%	1.6%
Total	<u>100.0%</u>	

The target allocation for the medical insurance plan is the same as the target allocation for the CERS pension plan in Note 8.

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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 9 OPEB PLANS (CONTINUED)

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

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
TRS			
Districts' net OPEB liability	\$ 26,525,000	\$ 19,966,000	\$ 14,530,000
	<u>1% Decrease (4.99%)</u>	<u>Current Discount Rate (5.99%)</u>	<u>1% Increase (6.99%)</u>
CERS			
Districts' net OPEB liability (asset)	\$ 1,415,885	\$ (1,047,165)	\$ (3,118,101)

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	\$ 13,487,000	\$ 19,966,000	\$ 28,017,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability (asset)	\$ (2,519,352)	\$ (1,047,165)	\$ 667,829

OPEB plan fiduciary net position

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

Life Insurance Plan

Plan description

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 9 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 Bullitt School County District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>406,000</u>
	<u><u>\$ 406,000</u></u>

For the year ended June 30, 2025, the District recognized OPEB expense of \$-0- and revenue of \$49,602 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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 9 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, 2024 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 (LIBOR)	2.0%	1.6%
Total	100.0%	

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 9 OPEB PLANS (CONTINUED)

Discount rate

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

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

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

OPEB plan fiduciary net position

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

NOTE 10 COMMITMENTS AND CONTINGENCIES

The District receives funding from federal, state, and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. The collectability of any related receivables as of June 30, 2025 may be impaired. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue the programs.

NOTE 11 INSURANCE AND RELATED ACTIVITIES

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 12 RISK MANAGEMENT

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

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

NOTE 13 DEFICIT OPERATING/FUND BALANCES

The District's Food Service Fund currently has a deficit fund balance of \$3,290,097. The following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Construction Fund	\$ 5,631,796
District Activity Fund	20,226
Special Revenue Fund	169,049
Debt Service Fund	2,762,469
Capital Outlay Fund	188,029

NOTE 14 COBRA

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 15 TRANSFER OF FUNDS

The following transfers were made during the year.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Special Revenue	Technology Match	\$ 237,499
General	Debt Service	Debt Service	904,328
General	Construction	Construction	414,536
School Activity	Special Revenue	Special Revenue	289,951
School Activity	District Activity	School Activity	487,011
Capital Outlay	Construction	Construction	156,928
Capital Outlay	Construction	Cap Funds Request	1,200,000
Food Service	General	Indirect Costs	402,887
Building	Construction	Construction	4,000,000
Building	Debt Service	Debt Service	16,396,433
Building	General	Cap Funds Request	500,000
Special Revenue	General	Indirect Costs	169,100
Special Revenue	Construction	Special Revenue	\$ (230,955)
Special Revenue	General	Special Revenue	26,205

NOTE 16 ON-BEHALF PAYMENTS

For the year ended June 30, 2025 total payments of \$37,808,030 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	\$ 36,295,719
Debt Service	938,382
Food Service	<u>573,929</u>
Total On-Behalf	<u><u>\$ 37,808,030</u></u>

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 17 SCHEDULE OF LONG-TERM OBLIGATIONS

2012-2nd Series, 2012-3rd Series, 2014, 2015, 2016, 2017, 2017-Ref, 2018, 2020, 2021-Ref, 2023A, 2023B, 2024A, and 2024A GO Issues

FISCAL YEAR	BULLITT COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2025-2026	\$ 11,537,261	\$ 9,166,961	\$ 20,704,222	\$ 712,739	\$ 70,300	\$ 783,039	\$ 21,487,261
2026-2027	11,964,943	8,604,719	20,569,662	730,057	65,530	795,587	21,365,249
2027-2028	12,376,228	7,843,174	20,219,402	748,772	60,270	809,042	21,028,444
2028-2029	12,851,521	5,110,448	17,961,969	768,479	55,126	823,605	18,785,574
2029-2030	13,320,567	7,281,357	20,601,924	784,433	50,478	834,911	21,436,835
2030-2031	12,423,732	7,030,473	19,454,205	791,268	46,871	838,139	20,292,344
2031-2032	12,844,280	6,690,238	19,534,518	810,720	43,910	854,630	20,389,148
2032-2033	13,294,302	6,342,833	19,637,135	830,698	40,988	871,686	20,508,821
2033-2034	13,749,965	6,004,276	19,754,241	760,035	38,271	798,306	20,552,547
2034-2035	13,195,962	5,543,145	18,739,107	424,038	34,345	458,383	19,197,490
2035-2036	13,805,104	4,888,455	18,693,559	404,896	28,788	433,684	19,127,243
2036-2037	14,449,224	4,358,329	18,807,553	285,776	24,671	310,447	19,118,000
2037-2038	15,105,758	3,843,174	18,948,932	264,242	20,550	284,792	19,233,724
2038-2039	12,573,937	3,329,756	15,903,693	176,063	16,232	192,295	16,095,988
2039-2040	13,129,497	2,760,375	15,889,872	180,503	11,791	192,294	16,082,166
2040-2041	13,850,701	2,037,961	15,888,662	159,299	7,483	166,782	16,055,444
2041-2042	9,671,671	1,567,234	11,238,905	48,329	4,459	52,788	11,291,693
2042-2043	10,084,697	1,153,723	11,238,420	50,303	2,486	52,789	11,291,209
2043-2044	10,583,007	652,260	11,235,267	36,993	739	37,732	11,272,999
2044-2045	11,015,000	220,300	11,235,300	-	-	-	11,235,300
	<u>\$ 251,827,357</u>	<u>\$ 94,429,191</u>	<u>\$ 346,256,548</u>	<u>\$ 8,967,643</u>	<u>\$ 623,288</u>	<u>\$ 9,590,931</u>	<u>\$ 355,847,479</u>

A summary of the changes in the principal of the outstanding bond obligations for the District during the year ended June 30, 2025 is as follows:

Governmental Activities	Balance July 1, 2024	Additions	Payments	Balance June 30, 2025
Bond obligations	<u>\$ 216,860,000</u>	<u>\$ 55,735,000</u>	<u>\$ 11,800,000</u>	<u>\$ 260,795,000</u>
Bond premiums	<u>6,915,039</u>	<u>3,618,489</u>	<u>578,749</u>	<u>9,954,779</u>
Bond discounts	<u>1,292,505</u>	<u>169,505</u>	<u>148,963</u>	<u>1,313,047</u>
Compensated absences	<u>3,582,369</u>	<u>38,482</u>	<u>-</u>	<u>3,620,851</u>

* The change in the compensated absences liability is presented as a net change

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 18 TAX ABATEMENTS

The District entered into a property tax abatement agreement with a local distillery. For the fiscal year ended June 30, 2025, the District abated property taxes totaling \$869,744 under the property tax abatement agreement. The distillery has agreed to pay the District in-lieu of payments beginning on January 1, 2018 and continuing annually for so long as the property tax abatement agreement is in place. The amount received during the year ended June 30, 2025 was \$75,000. The distillery will make annual in-lieu of payments of \$75,000 as long as the agreement is in place.

NOTE 19 CONTINGENCIES

During the normal course of business, the District is involved in various claims and lawsuits. In the opinion of management, the potential loss on any claims or lawsuits, net of insurance deductible, will not be significant to the District's net position or activities.

NOTE 20 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 \$2,290,080 reduction to the beginning net position on the Statement of Activities – District Wide.

NOTE 21 SUBSEQUENT EVENTS

In August 2025, the District issued bonds in the amount of \$39,565,000 with a premium of \$1,114,570 and a discount of \$41,886. The bonds mature August 2045 and bear interest at 4.500% to 5.000%.

Subsequent events were considered through December 18, 2025, which represents the release date of the report.

SUPPLEMENTARY
INFORMATION

BULLITT COUNTY SCHOOL DISTRICT

**Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2025**

	<u>Capital Outlay Fund</u>	<u>Building Fund</u>	<u>District Activity Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Total Non-major Government Funds</u>
Assets						
Current:						
Cash and cash equivalents	\$ 1,019,016	\$ 409,049	\$ 726,367	\$ 1,726	\$ 1,188,086	\$ 3,344,244
Accounts receivable	-	-	1,900	-	12,431	14,331
Prepaid expenses	-	-	-	-	-	-
Total assets	<u>\$ 1,019,016</u>	<u>\$ 409,049</u>	<u>\$ 728,267</u>	<u>\$ 1,726</u>	<u>\$ 1,200,517</u>	<u>\$ 3,358,575</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 27,077	\$ -	\$ 301	\$ 27,378
Total liabilities	<u>-</u>	<u>-</u>	<u>27,077</u>	<u>-</u>	<u>301</u>	<u>27,378</u>
Fund Balances:						
Restricted:						
Debt service fund	-	-	-	1,726	-	1,726
Other	1,019,016	409,049	701,190	-	1,200,216	3,329,471
Total fund balances	<u>1,019,016</u>	<u>409,049</u>	<u>701,190</u>	<u>1,726</u>	<u>1,200,216</u>	<u>3,331,197</u>
Total liabilities and fund balances	<u>\$ 1,019,016</u>	<u>\$ 409,049</u>	<u>\$ 728,267</u>	<u>\$ 1,726</u>	<u>\$ 1,200,517</u>	<u>\$ 3,358,575</u>

BULLITT COUNTY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds For the Year Ended June 30, 2025

	Capital Outlay Fund	Building Fund	District Activity Fund	Debt Service Fund	School Activity Fund	Total Nonmajor Government Funds
Revenues:						
Taxes	\$ -	\$ 17,070,774	\$ -	\$ -	\$ -	\$ 17,070,774
Earnings on investments	-	-	-	-	57,757	57,757
State sources	1,168,899	4,162,277	-	938,382	-	6,269,558
Other sources	-	-	56,792	-	3,036,358	3,093,150
Total revenues	<u>1,168,899</u>	<u>21,233,051</u>	<u>56,792</u>	<u>938,382</u>	<u>3,094,115</u>	<u>26,491,239</u>
Expenditures:						
Instructional	-	-	453,646	-	2,121,817	2,575,463
Student support services	-	-	-	-	8,842	8,842
Staff support services	-	-	110,383	-	66,178	176,561
Community service operations	-	-	-	-	29,425	29,425
Debt service:						
Principal	-	-	-	11,800,000	-	11,800,000
Interest	-	-	-	9,201,612	-	9,201,612
Total expenditures	<u>-</u>	<u>-</u>	<u>564,029</u>	<u>21,001,612</u>	<u>2,226,262</u>	<u>23,791,903</u>
Excess (deficit) of revenues over expenditures	<u>1,168,899</u>	<u>21,233,051</u>	<u>(507,237)</u>	<u>(20,063,230)</u>	<u>867,853</u>	<u>2,699,336</u>
Other Financing Sources (Uses)						
Operating transfers in	-	-	487,011	17,300,761	-	17,787,772
Operating transfers out	<u>(1,356,928)</u>	<u>(20,896,433)</u>	<u>-</u>	<u>-</u>	<u>(776,962)</u>	<u>(23,030,323)</u>
Total other financing sources(uses)	<u>(1,356,928)</u>	<u>(20,896,433)</u>	<u>487,011</u>	<u>17,300,761</u>	<u>(776,962)</u>	<u>(5,242,551)</u>
Net change in fund balance	(188,029)	336,618	(20,226)	(2,762,469)	90,891	(2,543,215)
Fund balance, July 1, 2024	<u>1,207,045</u>	<u>72,431</u>	<u>721,416</u>	<u>2,764,195</u>	<u>1,109,325</u>	<u>5,874,412</u>
Fund balance, June 30, 2025	<u>\$ 1,019,016</u>	<u>\$ 409,049</u>	<u>\$ 701,190</u>	<u>\$ 1,726</u>	<u>\$ 1,200,216</u>	<u>\$ 3,331,197</u>

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 64,060,000	\$ 64,060,000	\$ 74,144,748	\$ 10,084,748
Earnings on investments	1,500,000	1,500,000	1,891,765	391,765
State sources	72,739,415	72,739,415	74,040,226	1,300,811
Federal sources	400,000	400,000	555,043	155,043
Other sources	670,848	670,848	2,316,730	1,645,882
Total revenues	<u>139,370,263</u>	<u>139,370,263</u>	<u>152,948,512</u>	<u>13,578,249</u>
Expenditures				
Instructional	91,961,074	92,192,012	92,098,847	93,165
Student support services	6,334,898	6,258,211	6,525,299	(267,088)
Staff support services	11,425,010	11,578,075	11,509,603	68,472
District administration	3,838,441	3,838,441	3,379,951	458,490
School administration	11,642,847	11,667,183	10,893,772	773,411
Business support services	3,339,660	3,299,659	3,031,239	268,420
Plant operation and maintenance	12,375,208	12,552,937	11,554,158	998,779
Student transportation	11,341,708	11,341,708	8,756,883	2,584,825
Community service operations	723	723	85	638
Debt service	908,694	908,694	-	908,694
Other	6,202,000	5,885,057	1,556,363	4,328,694
Total expenditures	<u>159,370,263</u>	<u>159,522,700</u>	<u>149,306,200</u>	<u>10,216,500</u>
Net change in fund balance	(20,000,000)	(20,152,437)	3,642,312	23,794,749
Fund balance, July 1, 2024	<u>20,000,000</u>	<u>20,152,437</u>	<u>36,320,530</u>	<u>16,168,093</u>
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,962,842</u>	<u>\$ 39,962,842</u>

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ -	\$ -	\$ 68,723	\$ 68,723
Earnings on investments	-	3,701	27,867	24,166
State sources	4,694,257	5,345,189	5,306,978	(38,211)
Federal sources	6,024,095	6,365,775	6,831,889	466,114
Other sources	288,456	1,671,853	1,202,903	(468,950)
	<u>11,006,808</u>	<u>13,386,518</u>	<u>13,438,360</u>	<u>51,842</u>
Total revenues				
Expenditures				
Instructional	6,198,878	8,233,835	8,734,930	(501,095)
Student support services	64,175	172,326	314,362	(142,036)
Staff support services	2,799,633	2,607,359	1,865,850	741,509
District administration	-	-	235,563	(235,563)
School administration	150,000	394,526	408,682	(14,156)
Business support services	467,096	470,799	664,261	(193,462)
Plant operation and maintenance	87,369	92,538	98,728	(6,190)
Student transportation	-	165,258	119,471	45,787
Food service operation	-	6,200	9,547	(3,347)
Community service operations	1,136,310	1,150,290	1,189,916	(39,626)
Other	103,347	114,936	(33,901)	148,837
	<u>11,006,808</u>	<u>13,408,067</u>	<u>13,607,409</u>	<u>(199,342)</u>
Total expenditures				
Net change in fund balance	-	(21,549)	(169,049)	(147,500)
Fund balance, July 1, 2024	-	-	745,230	745,230
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ (21,549)</u>	<u>\$ 576,181</u>	<u>\$ 597,730</u>

BULLITT COUNTY SCHOOL DISTRICT

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ -	\$ -	\$ 2,894,312	\$ 2,894,312
Other sources	-	-	64,927,498	64,927,498
Total revenues	-	-	67,821,810	67,821,810
Expenditures				
Facility acquisition and construction	-	-	73,453,606	73,453,606
Total expenditures	-	-	73,453,606	73,453,606
Net change in fund balance	-	-	(5,631,796)	(5,631,796)
Fund balance, July 1, 2024	-	-	52,421,988	52,421,988
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,790,192</u>	<u>\$ 46,790,192</u>

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Issue of 2012 - 2nd Series</u>	<u>Issue of 2012 - 3rd Series</u>	<u>Issue of 2014</u>	<u>Issue of 2015</u>	<u>Issue of 2016</u>	<u>Issue of 2017 - Ref</u>	<u>Issue of 2017</u>
Cash at July 1, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Transfers and miscellaneous deposits	2,762,469	2,602,359	2,355,969	1,098,423	871,850	2,137,085	681,835
Disbursements:							
Bonds paid	2,725,000	2,575,000	1,025,000	665,000	760,000	1,840,000	180,000
Interest coupons	37,469	27,359	1,330,969	433,423	111,850	297,085	501,835
Transfers and miscellaneous							
Call fee							
Total disbursements	2,762,469	2,602,359	2,355,969	1,098,423	871,850	2,137,085	681,835
Excess of receipts over disbursements	-	-	-	-	-	-	-
Fund Balance at June 30, 2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>Issue of 2020</u>	<u>Issue of 2021 - Ref</u>	<u>Issue of 2023A</u>	<u>Issue of 2023B</u>	<u>Issue of 2024A</u>	<u>Issue of 2024A GO</u>	<u>Total</u>
Cash at July 1, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Transfers and miscellaneous deposits	820,728	1,220,890	807,189	1,289,875	1,987,422	1,780,334	21,001,612
Disbursements:							
Bonds paid	430,000	800,000	100,000	135,000	260,000	10,000	11,800,000
Interest coupons	390,728	420,890	707,189	1,154,875	1,727,422	1,770,334	9,201,612
Transfers and miscellaneous							
Call fee							-
Total disbursements	820,728	1,220,890	807,189	1,289,875	1,987,422	1,780,334	21,001,612
Excess of receipts over disbursements	-	-	-	-	-	-	-
Fund Balance at June 30, 2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Due to Student Groups June 30, 2025
Allied Health Class	-	\$ 22	\$ -	\$ 22	\$ -	\$ -	\$ 22
AP Test	-	160	-	160	-	-	160
Archery	1,756	13,062	13,106	1,712	-	-	1,712
Art Class	19	858	867	10	-	-	10
Art Club	-	10	-	10	-	-	10
Athletic Coke	4,745	22,003	24,317	2,431	-	-	2,431
Background check	-	60	40	20	-	-	20
Band Class	181	50	231	-	-	-	-
Baseball	238	1,233	1,471	-	-	-	-
Basketball - Girls	-	1,361	1,116	245	-	-	245
Beta Club	6,924	2,936	5,039	4,821	-	-	4,821
Biology Class	1,741	2,772	4,406	107	-	-	107
Bowling	114	-	-	114	-	-	114
Charitable Contributions	-	626	626	-	-	-	-
Cheer	5,420	-	-	5,420	-	-	5,420
Chemistry Class	295	-	249	46	-	-	46
Chess Club	840	6,106	5,393	1,553	-	-	1,553
Chorus/Music Class	514	11,602	11,071	1,045	-	-	1,045
Chromebook Repairs	-	1,543	1,285	258	-	-	258
Chromebooks	-	21,008	21,008	-	-	-	-
Cross Country	69	-	-	69	-	-	69
Culinary	4,511	1,771	1,939	4,343	-	-	4,343
Dance	142	-	-	142	-	-	142
District Fund 22	-	28,471	28,471	-	-	-	-
District Tournaments	55	2,123	2,178	-	-	-	-
Drama Class	3	5,910	5,913	-	-	-	-
Educators Rising	1,508	3,120	2,270	2,358	-	-	2,358
Engineering Class	1,252	1,904	1,499	1,657	-	-	1,657
Faculty Lounge	-	114	114	-	-	-	-
Faculty Sunshine Lounge	-	60	60	-	-	-	-
Family Consumer Science Class	-	301	301	-	-	-	-
Farm to Table Sales	5,229	1,241	2,303	4,167	-	-	4,167
FLA Club	780	1,870	1,635	1,015	-	-	1,015
FCCLA Club	1,493	474	774	1,193	-	-	1,193
FFA Club	4,444	10,490	9,937	4,997	-	-	4,997
Floral Design Class	1,003	1,369	1,513	859	-	-	859
Football	-	5,069	-	5,069	-	-	5,069
General Athletics	(1,702)	104,320	92,690	9,928	-	-	9,928
General Fund	3,910	9,912	10,023	3,799	-	-	3,799
Golf - Boys	-	500	275	225	-	-	225
Golf - Girls	-	225	225	-	-	-	-
Greenhouse Class	8,353	55	7,191	1,217	-	-	1,217
Greenhouse Sales	-	10,058	-	10,058	-	-	10,058
Guidance Counselor	3,382	85	3,413	54	-	-	54
Health Science Class	1,289	2,230	2,389	1,130	-	-	1,130

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Due to Student Groups June 30, 2025
Homecoming	\$ 3	\$ 70	\$ 32	41	\$ -	\$ -	41
HOSA Class	2,928	4,448	3,857	3,519	-	-	3,519
JROTC	1,215	16,345	11,564	5,996	-	-	5,996
Junior Class	39,822	7,200	16,315	30,707	-	-	30,707
KYA/KUNA	60	17,882	17,942	-	-	-	-
Library	2,244	745	733	2,256	-	-	2,256
Math Class	549	-	-	549	-	-	549
NHS Club	4,617	2,240	1,818	5,039	-	-	5,039
Non-student generated	151	-	151	-	-	-	-
Parking Permits	-	2,525	545	1,980	-	-	1,980
PBIS	563	2,584	3,037	110	-	-	110
Pep Club	257	20	81	196	-	-	196
Performing Arts Club	-	12,317	12,295	22	-	-	22
Physics Class	-	499	499	-	-	-	-
Picture Commission	-	1,675	-	1,675	-	-	1,675
Project Grad	-	3,173	2,481	692	-	-	692
Prom	-	22,137	2,771	19,366	-	-	19,366
Regional Tournaments	1,610	-	-	1,610	-	-	1,610
Robotics Club	1,157	116	660	613	-	-	613
Science Class	239	757	941	55	-	-	55
SCO Rounding	-	199	-	199	-	-	199
SCO Transaction Fees	-	532	349	183	-	-	183
Senior Class	906	2,435	2,595	746	-	-	746
Senior Trip	511	10,202	10,222	491	-	-	491
Special Ed	114	429	310	233	-	-	233
Speech and Debate Team	-	234	234	-	-	-	-
Spirit Wear	-	149	-	149	-	-	149
Staff Generated	2,236	1,650	3,886	-	-	-	-
Swim Team	498	-	-	498	-	-	498
Tennis - Boys	220	-	-	220	-	-	220
The Cougar Shop	6,552	1,552	2,334	5,770	-	-	5,770
Track	2,971	-	-	2,971	-	-	2,971
Vet Science Mini Clinic	-	3,747	1,611	2,136	-	-	2,136
Woodworking Class	1,392	1,585	848	2,129	-	-	2,129
Wrestling	118	700	700	118	-	-	118
Yearbook Sales	28,033	\$ 4,421	\$ 4,186	28,268	\$ -	\$ -	28,268
Total	\$ 157,474	\$ 399,652	\$ 368,335	\$ 188,791	\$ -	\$ -	\$ 188,791

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Due to Students & Others June 30, 2025
Academic Club	\$ 1,550	\$ 281	\$ -	\$ 1,831	\$ -	\$ -	\$ 1,831
AP Test	-	6,358	5,775	583	-	-	583
Archery	5,262	18,612	17,055	6,819	-	-	6,819
Art Class	-	483	447	36	-	-	36
Art Club	11	-	-	11	-	-	11
Athletic Coke	1,516	263	-	1,779	-	-	1,779
Background Check	-	160	160	-	-	-	-
Band Class	1,526	5,299	6,825	-	-	-	-
Baseball	24,213	86,973	77,864	33,322	-	-	33,322
Basketball-Boys	5,388	47,374	52,321	441	-	-	441
Basketball-Girls	-	35,579	24,978	10,601	-	-	10,601
Beta Club	360	11,495	10,265	1,590	-	-	1,590
Beta Club Scholarships	2,927	-	2,926	1	-	-	1
Biology Class	-	1,510	1,510	-	-	-	-
Bowling	2,374	-	-	2,374	-	-	2,374
Business Class	478	-	75	403	-	-	403
Charger Camp	8,031	11,342	9,585	9,788	-	-	9,788
Charitable Contributions	-	456	456	-	-	-	-
Cheer	7,126	60,838	57,178	10,786	-	-	10,786
Chemistry Class	-	2,493	2,493	-	-	-	-
Chess Club	226	300	246	280	-	-	280
Chorus/Music Class	10,580	10,062	13,413	7,229	-	-	7,229
Chromebooks	-	38,911	38,911	-	-	-	-
Chromebooks Repairs	-	928	928	-	-	-	-
Cross Country	29	180	-	209	-	-	209
Culinary	-	7,087	4,665	2,422	-	-	2,422
Dance	572	90	514	148	-	-	148
District Fund 22	-	102,023	102,023	-	-	-	-
Drama Class	-	19,681	3,837	15,844	-	-	15,844
Early Childhood Class	-	1,753	1,753	-	-	-	-
East Running Club	2,436	5,641	4,905	3,172	-	-	3,172
Ecology Club	-	55	-	55	-	-	55
Educators Rising	-	1,134	999	135	-	-	135
English Class	964	9,056	9,806	214	-	-	214
Faculty Lounge	484	788	844	428	-	-	428
Faculty Sunshine	560	-	251	309	-	-	309
Family Consumer Science	9,122	14,185	17,182	6,125	-	-	6,125
FBLA Club	2,741	20,076	20,456	2,361	-	-	2,361
FCA Club	768	4,519	5,287	-	-	-	-
FFCLA Club	3,342	2,105	965	4,482	-	-	4,482
FFA Club	2,126	10,096	7,928	4,294	-	-	4,294
Financial Services Class	64	-	-	64	-	-	64
Flag Football	-	1,568	289	1,279	-	-	1,279
Football	22,253	64,610	76,100	10,763	-	-	10,763
FRYSC	-	220	-	220	-	-	220
General Athletics	30,878	110,992	110,178	31,692	-	-	31,692

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Due to Students & Others June 30, 2025
General Fund	\$ 16,066	\$ 17,541	16,898	\$ 16,709	\$ -	\$ -	\$ 16,709
Golf-Boys	469	29,748	28,022	2,195	-	-	2,195
Golf-Girls	2,768	3,117	5,011	874	-	-	874
Greenhouse Class	4,973	2,640	1,908	5,705	-	-	5,705
Guidance Counselor	7,474	6,640	5,994	8,120	-	-	8,120
Halloween in the Halls	2,198	2,454	2,507	2,145	-	-	2,145
HAVPA Class	-	283	271	12	-	-	12
Health and PE Class	2,371	5,753	7,797	327	-	-	327
Health Science Class	593	1,250	1,135	708	-	-	708
HOSA Class	2,656	2,210	2,163	2,703	-	-	2,703
Houses	863	3,032	3,851	44	-	-	44
Journalism Class	3,454	3,121	3,529	3,046	-	-	3,046
Junior Class	12,849	40,800	38,132	15,517	-	-	15,517
Law Enforcement Class	140	164	-	304	-	-	304
Law Enforcement Club	-	85	85	-	-	-	-
Leaders of East	159	380	226	313	-	-	313
Library	227	32	259	-	-	-	-
Lost Library Books	-	180	-	180	-	-	180
Marching Band	-	31,600	30,100	1,500	-	-	1,500
MSD Class	98	972	824	246	-	-	246
Multicultural Club	554	-	-	554	-	-	554
NHS Club	101	13,845	10,933	3,013	-	-	3,013
NHS Scholarships	2,733	8,800	10,683	850	-	-	850
Parking Permits	-	10,764	10,764	-	-	-	-
Physics Class	-	657	657	-	-	-	-
Pickleball	-	901	245	656	-	-	656
Picture Commission	2,155	5,249	7,404	-	-	-	-
Pink Out	154	1,736	1,194	696	-	-	696
Powder Puff Football	-	1,735	1,735	-	-	-	-
Project Unify	5,215	1,029	1,735	4,509	-	-	4,509
RZR Club	1,208	380	254	1,334	-	-	1,334
Science Class	75	3,252	3,327	-	-	-	-
Sci-Fi Club	771	-	49	722	-	-	722
SCO Rounding	-	2,079	324	1,755	-	-	1,755
SCO Transaction Fees	-	584	480	104	-	-	104
Senior Class	6,160	29,376	28,744	6,792	-	-	6,792
Slam Class	494	11,316	11,723	87	-	-	87
Soccer Camp	-	1,060	-	1,060	-	-	1,060
Soccer-Boys	6,163	7,012	6,739	6,436	-	-	6,436
Soccer-Girls	7,577	14,072	21,399	250	-	-	250
Softball	26,779	8,545	27,425	7,899	-	-	7,899
Special Ed	-	324	219	105	-	-	105
Speech and Debate Team	123	1,285	1,214	194	-	-	194
Staff Generated	-	70	-	70	-	-	70
Start Up Cash	-	2,200	2,200	-	-	-	-
Swim Team	2,736	-	-	2,736	-	-	2,736
Tennis-Boys	107	328	105	330	-	-	330
Tennis-Girls	2,546	1,393	3,226	713	-	-	713
Textbook Fines	-	1,118	1,118	-	-	-	-
Track	7,120	5,669	7,579	5,210	-	-	5,210
Tri-Music Society	418	210	240	388	-	-	388
Volleyball	23,758	23,800	25,432	22,126	-	-	22,126
Wrestling	1,118	1,100	1,924	294	-	-	294
Yearbook Sales	26,616	17,681	27,433	16,864	-	-	16,864
Total	\$ 329,946	\$ 1,045,148	\$ 1,056,609	\$ 318,485	\$ -	\$ -	\$ 318,485

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Due to Students & Others June 30, 2025
Academic Team	\$ 745	\$ 210	\$ 925	\$ 30	\$ -	\$ -	\$ 30
Allied Health Class	-	2,106	2,097	9	-	-	9
Archery	3,138	1,020	166	3,992	-	-	3,992
Art Class	90	378	378	90	-	-	90
Art Club	-	-	-	-	-	-	-
Background Check	10	230	220	20	-	-	20
Band Class	221	1,055	1,276	-	-	-	-
Baseball	3,888	13,582	15,275	2,195	-	-	2,195
Basketball (Boys)	2,197	20,946	14,696	8,447	-	-	8,447
Basketball (Girls)	7,182	12,578	12,493	7,267	-	-	7,267
Beta Club	240	5,460	5,195	505	-	-	505
Biology Class	-	945	945	-	-	-	-
Book Store	44	455	332	167	-	-	167
Bowling	810	3,656	4,466	-	-	-	-
Charitable Contributions	-	79	79	-	-	-	-
Cheer	2,943	4,190	6,796	337	-	-	337
Chess Club	1,422	1,801	1,793	1,430	-	-	1,430
Chromebook Repairs	-	1,598	1,598	-	-	-	-
Chromebooks	-	17,384	17,351	33	-	-	33
Cross Country	1,311	2,305	2,840	776	-	-	776
Culinary	312	826	1,025	113	-	-	113
Dance	172	-	-	172	-	-	172
District Fund 22	-	13,934	13,934	-	-	-	-
Drama Class	-	-	-	-	-	-	-
Educators Rising	526	-	-	526	-	-	526
English Class	-	288	288	-	-	-	-
FBLA Club	183	556	-	739	-	-	739
FCA Club	5	190	195	-	-	-	-
FFA Club	5,524	2,152	6,846	830	-	-	830
Football	1,924	40,171	31,199	10,896	-	-	10,896
General Athletics	12,980	65,445	71,450	6,975	-	-	6,975
General Fund	7,749	5,632	1,358	12,023	-	-	12,023
Golf (Boys)	1,704	576	235	2,045	-	-	2,045
Golf (Girls)	1,178	-	-	1,178	-	-	1,178

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2024	Receipts	Disbursements	Fund Balance June 30, 2025	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Due to Students & Others June 30, 2025
Greenhouse Class	\$ 732	\$ -	\$ -	\$ 732	-	\$ -	\$ 732
Guidance Counselors	6,163	1,025	4,541	2,647	-	-	2,647
Health and PE Class	-	-	-	-	-	-	-
JROTC	39	1,964	1,968	35	-	-	35
Library	360	21	148	233	-	-	233
Locker Fees	-	-	-	-	-	-	-
Lost Library Books	-	220	-	220	-	-	220
Marching Band	-	3,604	3,084	520	-	-	520
Math Class	-	-	-	-	-	-	-
MSD Class	-	1,517	1,336	181	-	-	181
Parking Permits	-	4,493	4,493	-	-	-	-
PBIS	819	4,205	4,976	48	-	-	48
Powder Puff Football	-	793	-	793	-	-	793
Prom	4,844	22,598	24,571	2,871	-	-	2,871
Science Class	202	2,278	2,232	248	-	-	248
SCO Rounding	-	841	11	830	-	-	830
SCO Transaction Fees	-	1,658	16	1,642	-	-	1,642
Senior Class	383	8,049	7,354	1,078	-	-	1,078
Senior Trip	295	-	-	295	-	-	295
Soccer - Boys	1,738	8,452	8,957	1,233	-	-	1,233
Soccer - Girls	4,465	10,661	5,597	9,529	-	-	9,529
Social Studies Class	-	1,166	1,165	1	-	-	1
Softball	10,527	3,802	4,142	10,187	-	-	10,187
Special Ed	241	62	-	303	-	-	303
Staff Generated	392	415	694	113	-	-	113
Start Up Cash	-	-	-	-	-	-	-
Student Council	302	-	-	302	-	-	302
Swim Team	3,160	1,064	469	3,755	-	-	3,755
Tennis - Boys	497	119	59	557	-	-	557
Tennis - Girls	333	720	563	490	-	-	490
Track	237	4,125	1,762	2,600	-	-	2,600
Track - Girls	130	4,125	1,762	2,493	-	-	2,493
Travel Club	-	679	-	679	-	-	679
TSA - Tech Student Ass	26	207	224	9	-	-	9
Volleyball	12,803	7,299	17,053	3,049	-	-	3,049
Volleyball - Boys	33	4,547	3,653	927	-	-	927
Weight Lifting	2,324	2,436	498	4,262	-	-	4,262
Wrestling	667	392	419	640	-	-	640
Yearbook Sales	3,644	6,422	-	10,066	-	-	10,066
Youth Service Center	3	-	3	-	-	-	-
Total	<u>\$ 111,857</u>	<u>\$ 329,707</u>	<u>\$ 317,201</u>	<u>\$ 124,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,363</u>

BULLITT COUNTY SCHOOL DISTRICT

**Combining Statement of Receipts, Disbursements and Due to Student/Groups
School Activity Funds
For the Year Ended June 30, 2025**

	Cash Balance July 1, 2024	Receipts	Disbursements	Cash Balance June 30, 2025	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Due To Students & Others June 30, 2025
Bernheim Middle	\$ 53,549	\$ 92,412	\$ 92,680	\$ 53,281	\$ -	\$ -	\$ 53,281
Brooks Elementary	5,832	47,124	42,976	9,980	566	-	10,546
Bullitt Central High	157,474	399,652	368,335	188,791	-	-	188,791
Bullitt East High	329,946	1,045,148	1,056,609	318,485	-	-	318,485
Bullitt Lick Middle	19,538	90,721	87,844	22,415	-	-	22,415
Cedar Grove Elementary	25,299	80,890	74,387	31,802	-	-	31,802
Crossroads Elementary	27,950	64,442	62,611	29,781	-	-	29,781
Eastside Middle	33,743	123,224	119,310	37,657	10,021	-	47,678
Freedom Elementary	8,079	57,718	56,381	9,416	-	-	9,416
Hebron Middle	53,340	145,329	132,544	66,125	396	301	66,220
Lebanon Junction Elementary	1,160	34,016	31,862	3,314	-	-	3,314
Maryville Elementary	3,043	33,023	29,847	6,219	-	-	6,219
Mt. Washington Elementary	20,081	124,054	134,369	9,766	563	-	10,329
Mt. Washington Middle	107,050	131,613	131,902	106,761	-	-	106,761
Nichols Elementary	3,190	10,796	8,805	5,181	-	-	5,181
North Bullitt High	111,857	329,707	317,201	124,363	-	-	124,363
Old Mill Elementary	29,524	108,935	111,546	26,913	-	-	26,913
Overdale Elementary	23,488	76,377	76,831	23,034	-	-	23,034
Pleasant Grove Elementary	12,804	109,348	101,973	20,179	-	-	20,179
Riverview Opportunity Center	18,987	52,553	50,687	20,853	491	-	21,344
Roby Elementary	14,951	46,146	47,107	13,990	189	-	14,179
Shepherdsville Elementary	14,450	55,728	57,167	13,011	205	-	13,216
Zoneton Middle	28,153	105,205	86,589	46,769	-	-	46,769
Total	\$ 1,103,488	\$ 3,364,161	\$ 3,279,563	\$ 1,188,086	\$ 12,431	\$ 301	\$ 1,200,216

BULLITT 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	288,034,408	305,774,569	314,334,458	240,393,335	255,049,121	247,824,359	273,873,661	488,866,344	529,331,646	410,921,649
Total	<u>\$ 288,034,408</u>	<u>\$ 305,774,569</u>	<u>\$ 314,334,458</u>	<u>\$ 240,393,335</u>	<u>\$ 255,049,121</u>	<u>\$ 247,824,359</u>	<u>\$ 273,873,661</u>	<u>\$ 488,866,344</u>	<u>\$ 529,331,646</u>	<u>\$ 410,921,649</u>
District's covered-employee payroll	\$ 69,700,266	\$ 67,636,187	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	\$ 55,892,348	\$ 55,245,952
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%	58.80%	59.30%	39.80%	35.20%	42.50%

* The amounts presented for each fiscal year were determined as of June 30.

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 4.20% to 4.49%.

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

Changes of assumption: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more close. 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%.

BULLITT COUNTY SCHOOL DISTRICT
Schedule of District Contributions – TRS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,589,165	\$ 2,787,373	\$ 2,755,304	\$ 1,776,920	\$ 2,380,278	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(2,589,165)</u>	<u>(2,787,373)</u>	<u>(2,755,304)</u>	<u>(1,776,920)</u>	<u>(2,380,278)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
District's covered-employee payroll	\$ 69,700,266	\$ 67,636,187	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	\$ 55,892,348	\$ 55,245,952
Contributions as a percentage of of covered-employee payroll	3.71%	4.12%	4.23%	4.24%	3.85%	*	*	*	*	*

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

BULLITT COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of net pension liability	0.604773%	0.576275%	0.645415%	0.641517%	0.649098%	0.643428%	0.639520%	0.648925%	0.663291%	0.650633%
District's proportionate share of the net pension liability	\$ 36,167,988	\$ 36,976,734	\$ 46,657,137	\$ 40,901,741	\$ 49,785,279	\$ 45,252,578	\$ 38,792,318	\$ 37,983,575	\$ 32,657,910	\$ 27,974,140
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	\$ 20,488,074	\$ 19,552,997	\$ 17,285,217	\$ 11,101,123	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	\$ 15,956,427	\$ 15,919,816
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	176.53%	189.11%	269.93%	368.45%	298.86%	267.86%	235.66%	237.79%	204.67%	175.72%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	52.42%	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 7.50% 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%.

BULLITT 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	\$ 4,038,084	\$ 4,563,654	\$ 4,630,578	\$ 2,989,071	\$ 4,007,953	\$ 3,260,509	\$ 2,669,983	\$ 2,312,994	\$ 2,225,922	\$ 1,977,241
Contributions in relation to the contractually required contribution	<u>(4,038,084)</u>	<u>(4,563,654)</u>	<u>(4,630,578)</u>	<u>(2,989,071)</u>	<u>(4,007,953)</u>	<u>(3,260,509)</u>	<u>(2,669,983)</u>	<u>(2,312,994)</u>	<u>(2,225,922)</u>	<u>(1,977,241)</u>
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	\$ 20,488,074	\$ 19,552,997	\$ 17,285,217	\$ 11,101,123	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	\$ 15,956,427	\$ 15,919,816
Contributions as a percentage of of covered-employee payroll	19.71%	23.34%	26.79%	26.93%	24.06%	19.30%	16.22%	14.48%	13.95%	12.42%

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

BULLITT COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	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	\$ 406,000	\$ 477,000	\$ 540,000	\$ 226,000	\$ 585,000	\$ 527,000	\$ 478,000	\$ 370,000	*	*
Total net OPEB liability	\$ 406,000	\$ 477,000	\$ 540,000	\$ 226,000	\$ 585,000	\$ 527,000	\$ 478,000	\$ 370,000	*	*
District's covered-employee payroll	\$ 69,700,266	\$ 67,636,187	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	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%	75.00%	80.00%	*	*

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

Changes of benefit terms - None.

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

BULLITT COUNTY SCHOOL DISTRICT
Schedule of District's 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	\$ 69,700,266	\$ 67,636,187	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	*	*
Contributions as a percentage of of covered-employee payroll	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.

BULLITT 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	0.895762%	0.937878%	1.330061%	0.977103%	0.956660%	0.960568%	0.931174%	0.950194%	*	*
District's proportionate share of the collective net OPEB liability	\$ 19,966,000	\$ 22,843,000	\$ 33,019,000	\$ 20,966,000	\$ 24,144,000	\$ 28,114,000	\$ 32,309,000	\$ 33,882,000	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 17,787,000	\$ 19,254,000	\$ 10,847,000	\$ 17,027,000	\$ 19,340,000	\$ 22,704,000	\$ 27,844,000	\$ 27,677,000	*	*
Total net OPEB liability	\$ 37,753,000	\$ 42,097,000	\$ 43,866,000	\$ 37,993,000	\$ 43,484,000	\$ 50,818,000	\$ 60,153,000	\$ 61,559,000	*	*
District's covered-employee payroll	\$ 69,700,266	\$ 67,636,187	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	28.6%	33.8%	50.7%	50.0%	39.0%	48.8%	56.9%	60.0%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	59.81%	52.97%	47.75%	51.74%	39.05%	32.60%	25.50%	21.20%	*	*

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

Changes in benefit terms - None

Change in 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.

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

Last 10 Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,860,080	\$ 1,777,123	\$ 1,764,824	\$ 1,734,366	\$ 1,689,528	\$ 1,729,549	\$ 1,704,403	\$ 1,668,900	*	*
Contributions in relation to the contractually required contribution	<u>(1,860,080)</u>	<u>(1,777,123)</u>	<u>(1,764,824)</u>	<u>(1,734,366)</u>	<u>(1,689,528)</u>	<u>(1,729,549)</u>	<u>(1,704,403)</u>	<u>(1,668,900)</u>	<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	\$ 69,700,266	\$ 67,636,187	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	*	*
Contributions as a percentage of of covered-employee payroll	2.67%	2.63%	2.71%	2.73%	3.00%	3.00%	2.96%	2.96%	*	*

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

Changes of benefit terms - None

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

BULLITT COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the collective trust OPEB liability	0.605367%	0.576254%	0.645302%	0.641366%	0.649367%	0.643261%	0.636927%	0.648925%	*	*
District's proportionate share of the collective net OPEB liability (asset)	\$ (1,047,165)	\$ (795,615)	\$ 12,735,123	\$ 12,278,631	\$ 15,680,238	\$ 10,819,360	\$ 11,308,512	\$ 13,045,612	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*
Total net OPEB liability (asset)	\$ (1,047,165)	\$ (795,615)	\$ 12,735,123	\$ 12,278,631	\$ 15,680,238	\$ 10,819,360	\$ 11,308,512	\$ 13,045,612	*	*
District's covered-employee payroll	\$ 20,488,074	\$ 19,552,997	\$ 17,285,217	\$ 11,101,123	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	*	*
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	5.1%	4.1%	73.7%	110.6%	94.1%	64.0%	68.7%	81.7%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	104.89%	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.39%	*	*

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

Changes in assumptions: None

2018: Updated health care trend rates were implemented.

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

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

BULLITT 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	\$ -	\$ 567,075	\$ 744,225	\$ 779,973	\$ 791,984	\$ 804,146	\$ 865,851	\$ 750,765	*	*
Contributions in relation to the contractually required contribution	-	(567,075)	(744,225)	(779,973)	(791,984)	(804,146)	(865,851)	(750,765)	*	*
Contribution deficiency	-	-	-	-	-	-	-	-	*	*
District's covered-employee payroll	\$ 20,488,074	\$ 19,552,997	\$ 17,285,217	\$ 11,101,123	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	*	*
Contributions as a percentage of of covered-employee payroll	0.00%	2.90%	4.31%	7.03%	4.75%	4.76%	5.26%	4.70%	*	*

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

BULLITT COUNTY SCHOOL DISTRICT

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agreement Number	Federal Expenditures for FYE June 30, 2025
U.S. Department of Education			
<i>Passed through Kentucky Department of Education</i>			
Special Education Cluster			
Special Education_Grants to States	84.027	3810002 22	\$ 1,727
Special Education_Grants to States	84.027	3810002 23	634,282
Special Education_Grants to States	84.027	3810002 23	3,921
Special Education_Grants to States	84.027	3810002 24	2,285,066
Special Education_Grants to States	84.027	3810002 24	95,279
Total Special Education Cluster			3,020,275
Title I Grants to Local Educational Agencies	84.010A	3100202 24	144,159
Title I Grants to Local Educational Agencies	84.010A	3100002 22	164
Title I Grants to Local Educational Agencies	84.010A	3100002 22	774
Title I Grants to Local Educational Agencies	84.010A	3100002 23	273,642
Title I Grants to Local Educational Agencies	84.010A	3100002 23	11,417
Title I Grants to Local Educational Agencies	84.010A	3100002 24	1,781,573
Title I Grants to Local Educational Agencies	84.010A	3100002 24	14,618
Total ALN #84.010			2,226,347
Title I State Agency Program for Neglected and Delinquent Children	84.013	N&D - 23	5,830
Title I State Agency Program for Neglected and Delinquent Children	84.013	N&D - 24	23,369
Total ALN #84.013			29,199
Career and technical Education -Basic Grants to States	84.048	3710002 23	2,396
Career and technical Education -Basic Grants to States	84.048	3710002 23	8,456
Career and technical Education -Basic Grants to States	84.048	3710002 24	103,196
Total ALN #84.048			114,048
Education for Homeless Children and Youth	84.196	3990002 23	19,420
Total ALN #84.196			19,420
Twenty-First Century Community Learning Centers	84.287	3400002 21	3
Total ALN #84.287			3
English Language Acquisition State Grants	84.365	3300002 23	3,425
English Language Acquisition State Grants	84.365	3300002 24	30,824
Total ALN #84.365			34,249
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	3230002 23	90,306
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	3230002 24	297,036
Total ALN #84.367			387,342
Student Support and Academic Enrichment	84.424A	3420002 22	2,106
Student Support and Academic Enrichment	84.424A	3420002 23	13,245
Student Support and Academic Enrichment	84.424A	3420002 23	10,546
Student Support and Academic Enrichment	84.424A	3420002 23	89,562
Student Support and Academic Enrichment	84.424A	3420002 23	26,862
Student Support and Academic Enrichment	84.424A	3420002 24	2,964
Total ALN #84.424A			145,285
Student Support and Academic Enrichment Stronger Connections Grant	84.424F	3860002 23	362,179
Total ALN #84.424F			362,179
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund Homeless Children & Youth	84.425W	4980002 21	31,932
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	4300002 21	(20,094)
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	4300002 21	168,326
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425D	4200002 21	(49,363)
Total ALN #84.425			130,801
Total U.S. Department of Education			6,469,148

See accompanying notes to the schedule of expenditures of federal awards

BULLITT COUNTY SCHOOL DISTRICT

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Agreement Number	Federal Expenditures for FYE June 30, 2025
<u>U.S. Department of Health and Human Services</u>			
<i>Direct Federal Award</i>			
Drug-Free Communities Support Program Grants	93.276	Direct-23	29,069
Drug-Free Communities Support Program Grants	93.276	Direct-24	107,780
Total ALN #93.276			136,849
COVID-related funding			
Child Care Development Block Grant	93.575	2101KYCDC6	52,789
Total ALN #93.575			52,789
<i>Passed through Kentucky Department of Education</i>			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Not available	1,633
Total ALN #93.243			1,633
Total U.S. Department of Health and Human Services			191,271
<u>U.S. Department of Defense</u>			
<i>Direct Award</i>			
National Guard Challenge Program	12.357	Not available	167,137
Total ALN #12.357			167,137
Total U.S. Department of Defense			167,137
<u>U.S. Department of Agriculture</u>			
<i>Child Nutrition Cluster</i>			
<i>Passed through Kentucky Department of Education</i>			
School Breakfast Program	10.553	7760005.24	312,954
School Breakfast Program	10.553	7760005.25	967,769
National School Lunch Program	10.555	7750002.24	890,609
National School Lunch Program	10.555	7750002.25	3,153,300
Summer Food Service Program for Children	10.559	7690024.24	37,385
Summer Food Service Program for Children	10.559	7740023.24	135,515
			5,497,532
<i>Passed through Kentucky Department of Agriculture</i>			
National School Lunch Program - Food Donation	10.555	Not available	544,037
Total Child Nutrition Cluster			6,041,569
<i>Passed through Kentucky Department of Education</i>			
Local Food for Schools Cooperative Agreement Program	10.185	7840027 20	4,104
Total ALN #10.185			4,104
State Administrative Expenses for Child Nutrition	10.560	7700001 22	22,915
Total ALN #10.560			
Total U.S. Department of Agriculture			6,068,588
Total Expenditures of Federal Awards			\$ 12,896,144

See notes to the schedule of expenditures of federal awards

BULLITT COUNTY SCHOOL DISTRICT

Notes to the 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 Bullitt 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 Bullitt County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2025, the District reported food commodities expended in the amount of \$544,037.

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
Bullitt County School District
Shepherdsville, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bullitt County School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Bullitt County School District's basic financial statements, and have issued our report thereon dated December 18, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We noted other matters that we reported to management of the District on pages 83 to 87.

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

Purpose of this Report

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

Barnes, Dennig & Co., Ltd.

December 18, 2025
Crestview Hills, Kentucky

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bullitt County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bullitt County School District's major federal programs for the year ended June 30, 2025. Bullitt 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, Bullitt County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Bullitt County School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Bullitt County School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the 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 weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Barnes, Dennig & Co., Ltd.

December 18, 2025
Crestview Hills, Kentucky

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

SECTION I -SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

Type of 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

ALN No.	Name of Federal Program or Cluster
10.553/10.555/10.559	Child Nutrition Cluster

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

**Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2025**

SECTION I – SUMMARY OF PRIOR YEAR AUDITORS' RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

Management Letter Comments Year Ended June 30, 2025

In planning and performing our audit of the financial statements of Bullitt 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 December 18, 2025 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated December 18, 2025 on the financial statements of the Bullitt County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

2025-01: Fixed asset recording

Criteria – Per best practices recommended by the Kentucky Department of Education, fixed assets should be recorded at their historical costs in accordance with the District's capitalization policy.

Condition – During the testing of fixed assets, several differences between capitalized value and actual costs were noted. In addition, there were assets that exceeded capitalization thresholds that had not been capitalized.

Effect – Adjustments were needed to properly record the fixed assets.

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

Recommendation – We recommend that the Finance Director review all fixed asset activity against actual cash expenditures on a regular basis to ensure proper recording.

Board response: The Finance Director will ensure that all fixed asset activity is reviewed against actual cash expenditures on a regular basis to maintain accurate and proper recording going forward.

ACTIVITY FUNDS

Bullitt Central High School

No matters are reportable

Bullitt East High School

No matters are reportable

North Bullitt High School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT
Management Letter Comments (Continued)
Year Ended June 30, 2025

CURRENT YEAR RECOMMENDATIONS (Continued)

Bernheim Middle School

No matters are reportable

Bullitt Lick Middle School

No matters are reportable

Eastside Middle School

No matters are reportable

Hebron Middle School

No matters are reportable

Mt. Washington Middle School

No matters are reportable

Zoneton Middle School

No matters are reportable

Brooks Elementary School

No matters are reportable

Cedar Grove Elementary School

No matters are reportable

Crossroads Elementary School

No matters are reportable

Freedom Elementary School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT
Management Letter Comments (Continued)
Year Ended June 30, 2025

CURRENT YEAR RECOMMENDATIONS (Continued)

Lebanon Junction Elementary School

No matters are reportable

Maryville Elementary School

No matters are reportable

Mt. Washington Elementary School

No matters are reportable

Nichols Elementary School

No matters are reportable

Old Mill Elementary School

No matters are reportable

Overdale Elementary School

No matters are reportable

Pleasant Grove Elementary School

No matters are reportable

Roby Elementary School

No matters are reportable

Shepherdsville Elementary School

No matters are reportable

Riverview Opportunity Center

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT
Management Letter Comments (Continued)
Year Ended June 30, 2025

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

Statement of prior year deficiency: It was noted there were outstanding checks greater than one year old.

Current year follow-up: No such instance noted in the current year.

ACTIVITY FUNDS

Bullitt Central High School

No matters are reportable

Bullitt East High School

No matters are reportable

North Bullitt High School

No matters are reportable

Bernheim Middle School

No matters are reportable

Bullitt Lick Middle School

No matters are reportable

Eastside Middle School

No matters are reportable

Hebron Middle School

No matters are reportable

Mt. Washington Middle School

No matters are reportable

Zoneton Middle School

No matters are reportable

Brooks Elementary School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT
Management Letter Comments (Continued)
Year Ended June 30, 2025

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Cedar Grove Elementary School

No matters are reportable

Crossroads Elementary School

No matters are reportable

Freedom Elementary School

No matters are reportable

Lebanon Junction Elementary School

No matters are reportable

Maryville Elementary School

No matters are reportable

Mt. Washington Elementary School

No matters are reportable

Nichols Elementary School

No matters are reportable

Old Mill Elementary School

No matters are reportable

Overdale Elementary School

No matters are reportable

Pleasant Grove Elementary School

No matters are reportable

Roby Elementary School

No matters are reportable

Shepherdsville Elementary School

No matters are reportable

Riverview Opportunity Center

No matters are reportable