

Bellevue Independent School District

**Financial Statements
With Supplementary Information
Year Ended June 30, 2021
With Independent Auditors' Report**

EXTERNAL DRAFT
10.25.21

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Year Ended June 30, 2021

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Year Ended June 30, 2021

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EXTERNAL DRAFT
10.25.21

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2021

As management of the Bellevue Independent Board of Education (Board), the governing body for the Bellevue Independent School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the financial statements and notes. All amounts used in this MD&A are approximate amounts, except where more specific.

FINANCIAL HIGHLIGHTS

- The ending cash balance for the General Fund was \$3,740,549 for fiscal year (FY) 2020-2021 subjective to an ending fund balance of \$3,607,442, compared to the ending cash balance of \$3,001,195 for FY2019-2020 subjective to an ending fund balance of \$2,912,909.
- The General Fund had approximately \$5.75 million in revenue (excluding inter-fund transfers and on-behalf amounts of \$1.85 million) which primarily consisted of the basic state funding program (known as Support Education Excellence in Kentucky, or SEEK), property taxes, and motor vehicle taxes. The General Fund had expenditures of approximately \$5.06 million (excluding inter-fund transfers and on-behalf amounts of \$1.85 million).
- The Bellevue Independent School District is located in an older river town community that has very little remaining space for new residential or commercial construction. As a result, real estate assessments for property tax purposes have remained relatively constant except for changes -that reflect sales of existing property or periodic re-assessments by the property valuation administrator. Therefore, to increase property tax receipts, the Board continues to adopt annual tax rates that provide a 4% increase in property tax revenue compared to the prior year's property tax revenue and, by law, are not subject to a recall vote. These higher tax receipts allow the Board to budget for higher expenses, including higher salaries and benefits that are required to compete with other school districts; to fund increases reflected on the District's salary schedules for additional years of experience, and to prepare for ongoing budgetary constraints imposed by the state.
- SEEK funding for the FY2020-2021 fiscal year was frozen at the same level as the FY 2019-2020 fiscal year (using the 2018-2019 SAAR data) due to an allowance made by SB 177 as passed by the Kentucky General Assembly. The current demographics of the Bellevue neighborhood suggest that we can expect our student populations to show little growth or decline. Any significant changes in SEEK revenue are largely dependent on legislative changes made by the state to the guaranteed base.
- As in prior years, no funds were allocated by the state for professional development and instructional resources, forcing the General Fund to cover this unforeseen shortfall of funds
- The District remains committed to retaining quality teachers by offering competitive salary schedules and by reimbursing them for tuition paid to attain their National Board Certification.
- Above all else, academic achievement remains the priority for the Bellevue Independent Schools Board of Education. This priority has manifested in increased opportunities for students at all ages and grade levels. Grandview Elementary continues to purchase instructional technology to address the diverse needs of a generation of digital natives. Bellevue Middle/High and Grandview Elementary has seen the introduction of innovation labs and 21st century libraries in addition to Bellevue Middle/High continuing to offer post-secondary options that have become a hallmark of the school. A large percentage of upper classmen are continuing to earn college credits through partnerships with local colleges and universities. Exceptional grant opportunities are being sought out and awarded, which opens the door to additional educational tools and opportunities. All of these initiatives fall under the umbrella of our K-12 approach to thinking and skill development known as The Bellevue Classroom.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2021 (Continued)

FINANCIAL HIGHLIGHTS (CONTINUED)

- Bellevue Independent Schools is part of the federal program known as the Community Eligibility Program (CEP), whereby the District's food service operations provide meal service to all students at no charge, regardless of the economic status of their families.
- A financial concern of this district is the current condition of our buildings and facilities. State funding has unfortunately not kept up with the increases in operating expenses. Inflation, increased salaries, and a rising portion of the retirement shortfall that continues to be shifted to the backs of school districts is making it increasingly difficult to maintain our facilities as well as continue forward with the high standard of education and programming that our students deserve, without increasing taxes locally. The community support behind the passing of a Recallable Nickel in April 2019 will enable Bellevue Independent Schools to begin to focus efforts on some of these urgent facility needs. In light of these financially uncertain times, Bellevue Independent Schools will continue to push forward to maintain fiscally responsible policies in order to continue to provide quality academic, extra-curricular and community service programs to all of its students in a safe environment.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2021 (Continued)

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

The basic governmental fund financial statements can be found on pages 11 through 19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 47 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,427,082 as of June 30, 2021.

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

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2021
(Continued)

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position for the years ended June 30, 2021 and 2020

The following is a summary of net position for the fiscal years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Current assets	\$ 4,864,201	\$ 3,978,650
Noncurrent assets	3,589,890	3,367,172
Total assets	<u>8,454,091</u>	<u>7,345,822</u>
Total deferred outflows	<u>1,576,702</u>	<u>928,188</u>
Current liabilities	604,697	730,431
Noncurrent liabilities	6,754,728	6,125,035
Total liabilities	<u>7,359,425</u>	<u>6,855,466</u>
Total deferred inflows	<u>1,244,286</u>	<u>1,154,077</u>
Net position		
Investment in capital assets (net of debt)	2,029,276	1,514,777
Restricted	(4,098,841)	(4,010,294)
Unrestricted	<u>3,496,647</u>	<u>2,759,984</u>
Total net position	<u>\$ 1,427,082</u>	<u>\$ 264,467</u>

Comments on General Fund Budget Comparisons

- On-Behalf and Budget Variances – As part of GASB 34, the District's financial statements include payments made by the Commonwealth of Kentucky that benefited the students or the employees of the District. For the General Fund, these include amounts paid by the state for TRS retirement, health insurance, flexible-spending health benefit contributions, life insurance, certain technology services, and administrative fees. For the audited financial reports, such on-behalf payments were added to the District's related revenue and expenses line items for the General Fund. (See Note 15 – On-Behalf Payments of the accompanying Financial Statements for the year ended June 30, 2021.)
- It is notable that on-behalf payments represent state obligations that are not District obligations. Therefore, they have not been included as part of the budgeting process for the General Fund. As a result, the variances between amounts budgeted for the General Fund and the actual results (see Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund on Page 51 of the accompanying financial statements) may be skewed by on-behalf payments.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2021
(Continued)

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Revenues		
Program revenues		
Charges for services	\$ 950	\$ 9,788
Operating grants	2,870,869	2,636,320
Capital grants	191,902	196,091
Total grant revenues	<u>3,063,721</u>	<u>2,842,199</u>
General Revenues		
Taxes	4,570,858	4,306,822
Grants and entitlements	755,811	832,123
Earnings on investments	62,432	71,835
Miscellaneous	816,960	100,159
Total general revenues	<u>6,206,061</u>	<u>5,310,939</u>
Total revenues	<u>9,269,782</u>	<u>8,153,138</u>
Expenses		
Instructional	3,244,623	2,249,759
Student support services	399,932	470,171
Staff support	827,540	878,641
District administration	735,200	688,140
School administration	728,323	555,202
Business support	361,679	365,803
Plant operations	862,140	927,887
Student transportation	19,957	48,440
Community Services	114,466	113,516
Architectural/engineering	417,205	533,264
Food service operation	530,048	629,209
Miscellaneous	-	-
Interest on long-term debt	55,209	67,897
Total expenses	<u>8,296,322</u>	<u>7,527,929</u>
Change in net position	<u>\$ 973,460</u>	<u>\$ 625,209</u>

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) Year Ended June 30, 2021 (Continued)

BUDGETARY IMPLICATIONS

The District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. In Kentucky, the public school fiscal year is July 1 through June 30. Some programs relating to federal and state grants operate on a different fiscal year but are nevertheless reflected in the overall budget. A tentative budget is adopted by the District by the end of May for the subsequent year. A final working budget is adopted by the end of September for each fiscal year following the determination of the enrollment at the beginning of the new school year, the salaries for new employees/positions, and the tax assessments and levied rates that will be used to determine the property tax revenues.

The most significant budgeted fund is the General Fund. By law, the General Fund budget must have a minimum 2% contingency based on the total expenses budgeted for the General and Food Service Funds. The District adopted a 2020-2021 budget with \$550,000 in contingency (6.7%) which was approximately \$387,000 more than required by law.

Capital Assets

At the end of the fiscal year 2021, the District had a total of \$3,589,890 in capital assets, net of accumulated depreciation, including \$3,516,911 for governmental activities and \$72,979 for business type activities. Current year capital assets additions totaled \$533,696.

Debt

At June 30, 2021, the District had approximately \$1,560,614 in outstanding bonds.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Questions regarding this report should be directed to Mr. Robb Smith, Superintendent or to his representative Mrs. Jennifer Pierce, Finance Officer (859) 261-2108 or by mail to: Central Office, 219 Center Street, Bellevue, KY 41073.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Net Position – District Wide
As of June 30, 2021**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and cash equivalents	\$ 4,264,546	\$ 186,728	\$ 4,451,274
Accounts receivable	375,335	28,676	404,011
Inventories for consumption	-	8,916	8,916
Total current	<u>4,639,881</u>	<u>224,320</u>	<u>4,864,201</u>
Noncurrent:			
Nondepreciated capital assets:			
Land	175,987	-	175,987
Depreciated capital assets:			
Land improvements	294,480	-	294,480
Buildings and improvements	8,895,875	-	8,895,875
Furniture and equipment	1,779,954	318,379	2,098,333
Less: accumulated depreciation	<u>(8,046,590)</u>	<u>(245,400)</u>	<u>(8,291,990)</u>
Total noncurrent	<u>3,516,911</u>	<u>72,979</u>	<u>3,589,890</u>
Total assets	<u>8,156,792</u>	<u>297,299</u>	<u>8,454,091</u>
Deferred outflows	<u>1,516,222</u>	<u>60,480</u>	<u>1,576,702</u>
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	120,037	-	120,037
Accounts payable	165,367	-	165,367
Accrued interest	7,660	-	7,660
Accrued sick leave	6,876	-	6,876
Accrued payroll and related expenses	177,091	-	177,091
Unearned revenue	<u>127,666</u>	<u>-</u>	<u>127,666</u>
Total current	<u>604,697</u>	<u>-</u>	<u>604,697</u>
Noncurrent:			
Accrued sick leave	61,881	-	61,881
MIF net OPEB liability	2,197,286	87,646	2,284,932
CERS net pension liability	2,853,516	113,822	2,967,338
Bond obligations	<u>1,440,577</u>	<u>-</u>	<u>1,440,577</u>
Total noncurrent	<u>6,553,260</u>	<u>201,468</u>	<u>6,754,728</u>
Total liabilities	<u>7,157,957</u>	<u>201,468</u>	<u>7,359,425</u>
Deferred inflows	<u>1,196,557</u>	<u>47,729</u>	<u>1,244,286</u>
Net Position			
Invested in capital assets, net of related debt	1,956,297	72,979	2,029,276
Restricted	(4,134,444)	35,603	(4,098,841)
Unrestricted	<u>3,496,647</u>	<u>-</u>	<u>3,496,647</u>
Total net position	<u>\$ 1,318,500</u>	<u>\$ 108,582</u>	<u>\$ 1,427,082</u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Statement of Activities – District Wide As of June 30, 2021

Function/Programs	Expenses	Program Revenues			Net (expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instructional	\$ 3,244,623	\$ -	\$ 1,993,122	\$ -	\$ (1,251,501)	\$ -	\$ (1,251,501)
Student support services	399,932	-	8,101	-	(391,831)	-	(391,831)
Staff support services	827,540	-	138,544	-	(688,996)	-	(688,996)
District administration	735,200	-	83,372	-	(651,828)	-	(651,828)
School administration	728,323	-	-	-	(728,323)	-	(728,323)
Business support services	361,679	-	-	-	(361,679)	-	(361,679)
Plant operation and maintenance	862,140	-	52,869	-	(809,271)	-	(809,271)
Student transportation	19,957	-	246	-	(19,711)	-	(19,711)
Community service operations	114,466	-	112,522	-	(1,944)	-	(1,944)
Architectural/engineering	417,205	-	-	-	(417,205)	-	(417,205)
Facility acquisition and construction	-	-	-	191,902	191,902	-	191,902
Interest on long-term debt	55,209	-	-	-	(55,209)	-	(55,209)
Total governmental activities	7,766,274	-	2,388,776	191,902	(5,185,596)	-	(5,185,596)
Business-type activities							
Food service	530,048	950	482,093	-	-	(47,005)	(47,005)
Total business-type activities	530,048	950	482,093	-	-	(47,005)	(47,005)
Total school district	\$ 8,296,322	\$ 950	\$ 2,870,869	\$ 191,902	(5,185,596)	(47,005)	(5,232,601)
General revenues:							
Taxes					4,570,858	-	4,570,858
State and federal sources					755,811	-	755,811
Investment earnings					62,432	-	62,432
Miscellaneous					816,960	-	816,960
Special items:							
Gain on disposal of fixed assets					-	-	-
Fund transfer					43,718	(43,718)	-
Total general and special revenues					6,249,779	(43,718)	6,206,061
Change in net position					1,064,183	(90,723)	973,460
Net position - beginning					65,162	199,305	264,467
Net position adjustment (Note 17)					189,155	-	189,155
Net position - ending					\$ 1,318,500	\$ 108,582	\$ 1,427,082

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Balance Sheet – Governmental Funds
As of June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Current:				
Cash (overdraft) and cash equivalents	\$ 3,740,549	\$ (53,401)	\$ 577,398	\$ 4,264,546
Accounts receivable	40,476	334,859	-	375,335
Total current	<u>\$ 3,781,025</u>	<u>\$ 281,458</u>	<u>\$ 577,398</u>	<u>\$ 4,639,881</u>
Liabilities and Fund Balances				
Liabilities				
Current:				
Accounts payable	\$ 45,917	\$ 104,367	\$ 15,083	\$ 165,367
Unearned revenue	-	177,091	-	177,091
Accrued payroll and related expenses	127,666	-	-	127,666
Total current	<u>173,583</u>	<u>281,458</u>	<u>15,083</u>	<u>470,124</u>
Fund Balances				
Restricted:				
Capital projects	-	-	365,415	365,415
Other	-	-	196,900	196,900
Committed:				
Sick Leave	34,378	-	-	34,378
Unassigned	3,573,064	-	-	3,573,064
Total fund balances	<u>3,607,442</u>	<u>-</u>	<u>562,315</u>	<u>4,169,757</u>
Total liabilities and fund balances	<u>\$ 3,781,025</u>	<u>\$ 281,458</u>	<u>\$ 577,398</u>	<u>\$ 4,639,881</u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2021**

Total governmental fund balance		\$ 4,169,757
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	417,205	
Cost of capital assets	11,146,296	
Accumulated depreciation	<u>(8,046,590)</u>	
		3,516,911
Deferred Outflows		
MIF contributions made after the measurement date	45,363	
Related to MIF	652,077	
CERS contributions made after the measurement date	241,495	
Related to CERS	<u>577,287</u>	
		1,516,222
Deferred inflows related to CERS	(174,330)	
Deferred inflows related to MIF	<u>(1,022,227)</u>	
		(1,196,557)
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 and premium		(1,560,614)
Accrued interest on bonds		(7,660)
MIF net OPEB liability		(2,197,286)
CERS net pension liability		(2,853,516)
Accrued sick leave		<u>(68,757)</u>
Total net position - governmental		<u>\$ 1,318,500</u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 4,096,650	\$ -	\$ 474,208	\$ 4,570,858
Earnings on investments	60,037	-	2,395	62,432
State sources	3,304,268	492,320	191,902	3,988,490
Federal sources	74,790	1,891,473	-	1,966,263
Other sources	65,731	4,983	149,029	219,743
	<u>7,601,476</u>	<u>2,388,776</u>	<u>817,534</u>	<u>10,807,786</u>
Total revenues				
	<u>7,601,476</u>	<u>2,388,776</u>	<u>817,534</u>	<u>10,807,786</u>
Expenditures				
Instructional	3,338,271	1,947,267	148,159	5,433,697
Student support services	391,831	8,101	-	399,932
Staff support services	688,996	138,544	-	827,540
District administration	647,180	83,372	-	730,552
School administration	690,150	-	-	690,150
Business support services	361,679	-	-	361,679
Plant operation and maintenance	765,963	52,869	-	818,832
Student transportation	19,711	246	-	19,957
Community service operations	384	112,522	-	112,906
Architectural/engineering	-	-	417,205	417,205
Debt service:				
Principal	9,793	-	295,000	304,793
Interest	964	-	60,885	61,849
	<u>6,914,922</u>	<u>2,342,921</u>	<u>921,249</u>	<u>10,179,092</u>
Total expenditures				
	<u>6,914,922</u>	<u>2,342,921</u>	<u>921,249</u>	<u>10,179,092</u>
Excess (deficit) of revenues over expenditures	<u>686,554</u>	<u>45,855</u>	<u>(103,715)</u>	<u>628,694</u>
Other financing sources (uses)				
Loan and bond proceeds	-	-	815,000	815,000
Bond refunding	-	-	(880,000)	(880,000)
Bond refunding expense	-	-	65,000	65,000
Operating transfers in	101,130	25,723	792,535	919,388
Operating transfers out	(93,151)	(71,578)	(710,941)	(875,670)
	<u>7,979</u>	<u>(45,855)</u>	<u>81,594</u>	<u>43,718</u>
Total other financing sources (uses)				
	<u>7,979</u>	<u>(45,855)</u>	<u>81,594</u>	<u>43,718</u>
Net change in fund balance	694,533	-	(22,121)	672,412
Fund balance, July 1, 2020	2,912,909	-	395,281	3,308,190
Fund balance adjustment (Note 17)	-	-	189,155	189,155
Fund balance, June 30, 2021	<u>\$ 3,607,442</u>	<u>\$ -</u>	<u>\$ 562,315</u>	<u>\$ 4,169,757</u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balance of Governmental Funds to the Statement of Activities Year Ended June 30, 2021

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

Net changes-governmental funds		\$ 672,412
Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.		
Depreciation expense	(301,473)	
Capital outlays	<u>533,696</u>	232,223
Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Bond principal paid		304,793
Proceeds from sale of bonds		(815,000)
Refunded bond		880,000
Bond premium		(80,634)
Amortization of bond premium		2,622
Deferred outflows related to pensions		267,863
Deferred outflows related to other post-employment retirement benefits		349,971
Deferred inflows related to pensions		133,508
Deferred inflows related to other post-employment retirement benefits		(213,040)
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		
		<u>(670,535)</u>
Changes in net position of governmental activities		<u><u>\$ 1,064,183</u></u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Net Position – Proprietary Fund
As of June 30, 2021**

	Food Service	Total
Assets		
Current		
Cash and cash equivalents	\$ 186,728	\$ 186,728
Accounts receivable	28,676	28,676
Inventories for consumption	8,916	8,916
Total current	<u>224,320</u>	<u>224,320</u>
Noncurrent		
Furniture and Fixtures	318,379	318,379
Less: accumulated depreciation	<u>(245,400)</u>	<u>(245,400)</u>
Total noncurrent	<u>72,979</u>	<u>72,979</u>
Total assets	<u>297,299</u>	<u>297,299</u>
Deferred outflows	<u>60,480</u>	<u>60,480</u>
Liabilities and Net Position		
Liabilities		
Noncurrent		
MIF net OPEB liability	87,646	87,646
CERS net pension liability	<u>113,822</u>	<u>113,822</u>
Total noncurrent	<u>201,468</u>	<u>201,468</u>
Total liabilities	<u>201,468</u>	<u>201,468</u>
Deferred inflows	<u>47,729</u>	<u>47,729</u>
Net Position		
Invested in assets, net of debt	72,979	72,979
Restricted	<u>35,603</u>	<u>35,603</u>
Total net position	<u><u>\$ 108,582</u></u>	<u><u>\$ 108,582</u></u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Revenues, Expenses and Changes in Net Position –
Proprietary Fund
Year Ended June 30, 2021**

	Food Service	Total
Operating revenues		
Lunchroom sales	\$ 20	\$ 20
Other operating revenues	930	930
	<hr/>	<hr/>
Total operating revenues	950	950
	<hr/>	<hr/>
Operating expenses		
Salaries and benefits	299,955	299,955
Contract services	20,580	20,580
Materials and supplies	200,008	200,008
Depreciation	9,505	9,505
Other operating expenses	-	-
	<hr/>	<hr/>
Total operating expenses	530,048	530,048
	<hr/>	<hr/>
Operating loss	(529,098)	(529,098)
	<hr/>	<hr/>
Nonoperating revenues (expenses)		
Federal grants	425,796	425,796
State grants	37,457	37,457
Donated commodities and other donations	18,840	18,840
Transfers	(43,718)	(43,718)
	<hr/>	<hr/>
Total nonoperating revenues	438,375	438,375
	<hr/>	<hr/>
Change in net position	(90,723)	(90,723)
	<hr/>	<hr/>
Total net position, July 1, 2020	199,305	199,305
	<hr/>	<hr/>
Total net position, June 30, 2021	\$ 108,582	\$ 108,582
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2021**

	Food Service Fund	Total
Cash flows from operating activities		
Cash received from lunchroom sales	\$ 20	\$ 20
Cash received from other activities	(22,131)	(22,131)
Cash payments to employees for services	(262,781)	(262,781)
Cash payments to suppliers for goods and services	(220,588)	(220,588)
Cash transfers	(43,718)	(43,718)
	<u>(549,198)</u>	<u>(549,198)</u>
Net cash used in operating activities		
Cash flows from noncapital financing activities		
Non-operating revenues received	482,093	482,093
	<u>482,093</u>	<u>482,093</u>
Net cash provided by noncapital financing activities		
	<u>482,093</u>	<u>482,093</u>
Net decrease in cash and cash equivalents	(67,105)	(67,105)
Cash and cash equivalents - beginning	253,833	253,833
Cash and cash equivalents - ending	<u>\$ 186,728</u>	<u>\$ 186,728</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (529,098)	\$ (529,098)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	9,505	9,505
Transfers	(43,718)	(43,718)
Changes in assets and liabilities:		
(Increase) in deferred outflows	(30,680)	(30,680)
Increase in deferred inflows	10,677	10,677
(Increase) in accounts receivable	(19,663)	(19,663)
(Decrease) in accounts payable	(3,398)	(3,398)
Increase in MIF net pension liability	16,119	16,119
Increase in CERS net pension liability	41,058	41,058
Increase in inventories	<u>-</u>	<u>-</u>
Net cash used in operating activities	<u>\$ (549,198)</u>	<u>\$ (549,198)</u>
Schedule of non-cash transactions:		
Donated commodities received from federal government	<u>\$ 18,840</u>	<u>\$ 18,840</u>
On behalf payments	<u>\$ 32,506</u>	<u>\$ 32,506</u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Net Position – Fiduciary Fund
As of June 30, 2021**

	Trust Fund	Total
Assets		
Cash and cash equivalents	\$ 42,103	\$ 42,103
Total current assets	<u>\$ 42,103</u>	<u>\$ 42,103</u>
Net Position		
Held in Trust for Scholarships	<u>42,103</u>	<u>42,103</u>
Total liabilities and net position	<u>\$ 42,103</u>	<u>\$ 42,103</u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2021**

	<u>Trust/Agency Fund</u>	<u>Total</u>
Additions		
Investment income	<u>\$ 384</u>	<u>\$ 384</u>
Total additions	<u>384</u>	<u>384</u>
Change in net position	384	384
Net position - July 1, 2020	<u>41,719</u>	<u>41,719</u>
Net position - June 30, 2021	<u><u>\$ 42,103</u></u>	<u><u>\$ 42,103</u></u>

The accompanying notes are an integral part of these financial statements

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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.

BELLEVUE INDEPENDENT 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

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.

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 67. This is a major fund of the District.

Special Revenue Activity Fund is used to support co-curricular activities and includes funds that are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the state Redbook Accounting Regulations and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (cont'd)

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

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.

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.

The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This District is committed to construction contracts in the amount of \$128,293 for ongoing projects.

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

II. Debt Service Fund

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

III. Proprietary Fund (Enterprise Fund)

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

IV. Fiduciary Fund Type (Agency and Trust Funds)

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).

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

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

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

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

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

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

Taxes

Property Tax Revenues – Property taxes are levied each September on the assessed value listed as of the prior January 1, for all real and personal property in the county. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending approximately 60 days after the tax bill mailing. Property taxes collected are recorded as revenues in the fiscal year for which they are received by the Campbell County Sheriff, who collects taxes for the District. All taxes collected are initially deposited into the General Fund and then transferred to the appropriate fund.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

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

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

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

Cash and Cash Equivalents

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

Inventories

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

Capital Assets

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

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

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Unpaid Sick Leave Benefits

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

Interfund Balances

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

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

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

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

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

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

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

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

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

Net Position

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

Operating Revenues and Expenses

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

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.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than OPEBs (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the 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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 2 ESTIMATES

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

NOTE 3 CASH AND CASH EQUIVALENTS

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 4 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
<u>Governmental Activities</u>				
Land	\$ 175,987	\$ -	\$ -	\$ 175,987
Land improvements	185,537	108,943	-	294,480
Buildings and improvements	8,895,875	-	-	8,895,875
Technology equipment	1,237,887	-	-	1,237,887
Vehicles	298,391	-	-	298,391
General equipment	236,128	7,548	-	243,676
Construction work in progress	-	417,205	-	417,205
Totals at historical cost	<u>11,029,805</u>	<u>533,696</u>	<u>-</u>	<u>11,563,501</u>
Less: accumulated depreciation				
Land improvements	107,580	4,803	-	112,383
Buildings and improvements	5,965,019	286,957	-	6,251,976
Technology equipment	1,262,911	2,866	-	1,265,777
Vehicles	204,541	-	-	204,541
General equipment	205,066	6,847	-	211,913
Total accumulated depreciation	<u>7,745,117</u>	<u>301,473</u>	<u>-</u>	<u>8,046,590</u>
Governmental activities capital assets - net	<u>\$ 3,284,688</u>	<u>\$ 232,223</u>	<u>\$ -</u>	<u>\$ 3,516,911</u>
<u>Business - Type Activities</u>				
General equipment	\$ 313,605	\$ -	\$ -	\$ 313,605
Technology equipment	4,774	-	-	4,774
Totals at historical cost	<u>318,379</u>	<u>-</u>	<u>-</u>	<u>318,379</u>
Less: accumulated depreciation				
General equipment	231,121	9,505	-	240,626
Technology equipment	4,774	-	-	4,774
Total accumulated depreciation	<u>235,895</u>	<u>9,505</u>	<u>-</u>	<u>245,400</u>
Business - type activities capital assets - net	<u>\$ 82,484</u>	<u>\$ (9,505)</u>	<u>\$ -</u>	<u>\$ 72,979</u>

Depreciation expense by function for the fiscal year ended June 30, 2021 was as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Instructional	213,784	\$ -
District administration	4,648	-
School administration	38,173	-
Plant operation and maintenance	43,308	-
Community service operations	1,560	-
Food service	-	9,505
Total	<u>\$ 301,473</u>	<u>\$ 9,505</u>

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 5 ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2021 this amount totaled approximately \$68,757 for those employees with twenty-seven or more years of experience.

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT

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

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

<u>Issue Date</u>	<u>Proceeds</u>	<u>Rates</u>
March 2014	\$ 95,633	2.000% - 3.000%
June 2019	690,000	1.600% - 3.000%
February 2021	815,000	3.000%

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

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

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2021 for debt service (principal and interest) are reported in Note 16.

NOTE 7 RETIREMENT PLANS

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

General information about the County Employees Retirement System Non-Hazardous

Plan description

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

Benefits provided

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

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years service and 55 years old At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old Or age 57+ and sum of service years plus age equal 87

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 average rate of pay up to 75% for all dependent children. Five years' service is required for nonservice-related disability benefits.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

Contributions

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

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

The contribution requirement for CERS for the year ended June 30, 2021, was \$310,108, which consisted of \$251,128 from the District and \$58,980 from the employees. Total contributions for the year ended June 30, 2020 and 2019 were \$293,968 and \$219,264, respectively. The contributions required of the state have been contributed in full for fiscal years 2021, 2020 and 2019.

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 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/05_publications/index.htm.

Benefits provided

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

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

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 is less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

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, 2021, was \$555,879, which consisted of \$128,141 from the District and \$427,732 from the employees. Total contributions for the year ended June 30, 2020 and 2019 were \$575,942 and \$610,581, respectively. The contributions have been contributed in full for fiscal years 2021, 2020 and 2019.

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

Medical Insurance Plan

Plan description

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

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

Funding policy

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

At June 30, 2021, 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	\$ 2,967,338
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>14,299,424</u>
	<u><u>\$ 17,266,762</u></u>

The net pension liability for each plan was measured as of June 30, 2020, 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, 2020, the District's proportion was 0.038688% percent.

For the year ended June 30, 2021, the District recognized pension expense of \$564,174 related to CERS. The District also recognized a reduction of expense of \$2,621,671 and a reduction of revenue of \$2,621,671 for TRS support provided by the Commonwealth due to a change in assumptions. At June 30, 2021, 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 performance	\$ 73,996	\$ -
Net difference between projected and actual earnings on pension plan investments	128,624	54,370
Change of Assumptions	115,870	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	281,824	126,914
District contributions subsequent to the measurement date	<u>251,128</u>	<u>-</u>
Total	<u><u>\$ 851,442</u></u>	<u><u>\$ 181,284</u></u>

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

\$251,128 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, 2022. 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:	
2022	\$ 159,940
2023	174,905
2024	54,361
2025	29,824
2026	-

Actuarial assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	CERS	TRS
Inflation	2.30%	3.00%
Projected salary increases	3.30%	3.5 - 7.3%
Investment rate of return, net of investment expense and inflation	6.25%	7.50%

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 the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025 set forward two years for males and one year for females. The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015 adopted by the Board on November 19, 2016.

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 2008 through 2013, is outlined in a report dated April 30, 2014. 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.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

For TRS, the long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's and CERS's 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	40.0%	4.60%	18.8%	4.50%
International Equity	22.0%	22.00%	18.8%	5.25%
Core bonds			13.5%	-0.25%
Private equity	7.0%	7.70%	10.0%	6.65%
High yield			15.0%	3.90%
Fixed income	15.0%	0.00%		
Additional categories	7.0%	2.50%		
Real estate	7.0%	4.30%	5.0%	5.30%
Opportunistic			3.0%	2.25%
Real return			15.0%	3.95%
Cash	2.0%	-0.50%	1.0%	-0.75%
Total	100%		100%	

Discount rate

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

For TRS, the discount rate used to measure the total pension liability was 7.50%. 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, adjusted by 95%, 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.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

Discount rate (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 3,659,373	\$ 2,967,338	\$ 2,394,306
TRS	6.50%	7.50%	8.50%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net position

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

NOTE 8 OPEB PLANS

General information about the Teachers' Retirement System OPEB Plan

Plan description

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

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

Medical Insurance Plan

Plan description

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 OPEB PLANS (C)

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 percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

Plan description

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

Benefits provided

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

Contributions

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

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

At June 30, 2021, the Bellevue Independent School District reported a liability of \$2,284,932 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, 2020, 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.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

At June 30, 2020, the District's proportion was 0.09 percent for TRS, which was an increase of 0.03 percent from its proportion measured as of June 30, 2019 and 0.03 percent for CERS, which is the same as its proportion measured as of June 30, 2019.

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	\$ 933,932
District's proportionate share of the TRS net OPEB liability	1,351,000
State's proportionate share of the net OPEB liability associated with the District	<u>1,082,000</u>
	<u><u>\$ 3,366,932</u></u>

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

For the year ended June 30, 2021, the District recognized OPEB expense of \$284,047 and revenue of \$75,742 for support provided by the State. At June 30, 2021, 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 performance	\$ 156,040	\$ 732,162
Net difference between projected and actual earnings on OPEB plan investments	94,099	19,057
Change of Assumptions	244,449	988
Changes in proportion and differences between employer contributions and proportionate share of contributions	88,945	310,795
District contributions subsequent to the measurement date	<u>141,727</u>	<u>-</u>
Total	<u><u>\$ 725,260</u></u>	<u><u>\$ 1,063,002</u></u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$141,727 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30:</u>		
2022	\$	(85,259)
2023		(73,072)
2024		(90,671)
2025		(74,861)
2026		(109,606)
Thereafter		(46,000)

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	CERS
Investment rate of return	8.00%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.50 - 7.20%, including inflation	3.30% to 11.55%, varies by service
Inflation rate	3.00%	2.30%
Real Wage Growth	0.50%	
Wage Inflation	3.50%	
Healthcare cost trend rates		
Under 65	7.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2029	Initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.
Ages 65 and Older	5.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2022	Initial trend starting at 5.0.0% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.
Medicare Part B Premiums	6.49% for FY 2020 with an ultimate rate of 5.00% by 2031	
Municipal Bond Index Rate	2.19%	2.45%
Discount Rate	8.00%	5.34%
Single Equivalent Interest Rate	8.00%, net of OPEB plan investment expense, including inflation	

For TRS, Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

For CERS, mortality rates were based on the RP-2000 Combined Mortality Table projected to 2013 with projection scale BB and set back one year for females.

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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2015 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.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	58.0%	5.4%
Fixed Income	9.0%	0.0%
Real Estate	6.5%	4.3%
Private Equity	8.5%	7.7%
Other Additional Categories	17.0%	2.5%
Cash (LIBOR)	1.0%	-0.5%
Total	<u>100.0%</u>	

Discount rate

For TRS, the discount rate used to measure the total OPEB liability was 8.00%. 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 5.34%. 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.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 8.00%, 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 (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
TRS			
Districts' net OPEB liability	\$ 1,633,000	\$ 1,351,000	\$ 1,116,000
	<u>1% Decrease (4.34%)</u>	<u>Current Discount Rate (5.34%)</u>	<u>1% Increase (6.34%)</u>
CERS			
Districts' net OPEB liability	\$ 1,199,828	\$ 933,932	\$ 715,542

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	\$ 1,071,000	\$ 1,351,000	\$ 1,696,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability	\$ 723,097	\$ 933,932	\$ 1,189,785

OPEB plan fiduciary net position

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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.

Benefits provided

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

Contributions

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

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

At June 30, 2021, the Bellevue Independent School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>33,000</u>
	<u><u>\$ 33,000</u></u>

For the year ended June 30, 2021, the District recognized OPEB expense of \$-0- and revenue of \$1,576 for support provided by the State.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	inflation. 3.50 - 7.20%, including inflation
Projected salary increases	3.00%
Inflation rate	0.50%
Real Wage Growth	3.50%
Wage Inflation	3.89%
Municipal Bond Index Rate	7.50%
Discount Rate	7.50%, net of OPEB plan investment expense, including
Single Equivalent Interest Rate	inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The remaining actuarial assumptions (e.g. initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2015 valuation.

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

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

Asset Class*	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity	40.0%	4.6%
International Equity	23.0%	5.6%
Fixed Income	18.0%	0.0%
Real Estate	6.0%	4.3%
Private Equity	5.0%	7.7%
Other Additional Categories	6.0%	2.5%
Cash (LIBOR)	2.0%	-0.5%
Total	<u>100.0%</u>	

* As the LIF investment policy is to change, the above reflects the pension allocation and returns that achieve the target 7.5% long-term rate of return

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

Discount rate

The discount rate used to measure the total OPEB liability for life insurance was 7.50%. 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	(6.50%)	Rate (7.50%)	(8.50%)
Districts' net OPEB liability	\$ -	\$ -	\$ -

OPEB plan fiduciary net position

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

NOTE 9 CONTINGENCIES

Grant Fund Approval

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

NOTE 10 INSURANCE AND RELATED ACTIVITIES

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

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for errors and omissions, and general liability coverage, the District obtains general insurance and unemployment insurance in accordance with the Kentucky Department of Education requirements.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

NOTE 12 DEFICIT OPERATING/FUND BALANCES

There are no funds of the District that currently have a deficit fund balance. However, the following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Food Service Funds	\$ 90,723
Building Funds	164,234
District Activity Funds	1,909

NOTE 13 COBRA

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

NOTE 14 TRANSFER OF FUNDS

The following transfers were made during the year.

From Fund	To Fund	Purpose	Amount
General Fund	Special Revenue Funds	Matching	\$ 11,557
Building Fund	Debt Service Fund	Debt Service	237,708
Food Service Fund	General Fund	Indirect Cost Transfer	43,718
Special Revenue Funds	General Fund	Indirect Cost Transfer	57,412
Special Revenue Funds	Special Revenue Funds	Flex Funds	14,166
General Fund	Construction Fund	Construction	81,594
Capital Outlay Fund	Construction Fund	Construction	43,463
Building Fund	Construction Fund	Construction	419,425
School Activity Funds	District Activity Fund	Operations	10,345

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2021 total payments of \$2,002,653 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	\$ 1,851,970
Debt Service Fund	118,177
Food Service Fund	32,506
Total On-Behalf	<u>\$ 2,002,653</u>

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements (Continued)

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

2014 KISTA, 2019, and 2021 Issues

Fiscal Year	Bellevue Independent School District			KY School Facilities Construction Commission			Total Requirements
	Principal	Interest	Total	Principal	Interest	Total	
2021-2022	\$ 50,403	\$ 19,219	\$ 69,622	\$ 69,634	\$ 29,275	\$ 98,909	\$ 168,531
2022-2023	54,477	14,815	69,292	74,166	24,746	98,912	168,204
2023-2024	57,718	13,204	70,922	76,204	22,708	98,912	169,834
2024-2025	51,638	11,495	63,133	78,362	20,549	98,911	162,044
2025-2026	44,417	9,965	54,382	80,583	18,328	98,911	153,293
2026-2027	47,135	8,649	55,784	82,865	16,045	98,910	154,694
2027-2028	49,785	7,248	57,033	85,215	13,696	98,911	155,944
2028-2029	44,719	5,761	50,480	35,281	11,245	46,526	97,006
2029-2030	43,769	4,443	48,212	36,231	10,293	46,524	94,736
2030-2031	47,794	3,150	50,944	37,206	9,319	46,525	97,469
2031-2032	3,826	1,734	5,560	31,174	8,316	39,490	45,050
2032-2033	7,891	1,619	9,510	32,109	7,381	39,490	49,000
2033-2034	6,927	1,382	8,309	33,073	6,418	39,491	47,800
2034-2035	5,935	1,174	7,109	34,065	5,426	39,491	46,600
2035-2036	4,913	996	5,909	35,087	4,404	39,491	45,400
2036-2037	8,861	849	9,710	36,139	3,351	39,490	49,200
2037-2038	7,776	583	8,359	37,224	2,267	39,491	47,850
2038-2039	11,660	355	12,015	38,340	1,145	39,485	51,500
	<u>\$ 549,644</u>	<u>\$ 106,641</u>	<u>\$ 656,285</u>	<u>\$ 932,958</u>	<u>\$ 214,912</u>	<u>\$ 1,147,870</u>	<u>\$ 1,804,155</u>

A summary of the changes in the principal of the outstanding bond obligations and sick leave liability for the District during the year ended June 30, 2021 is as follows:

Governmental Activities	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Bond Obligations	\$ 1,852,395	\$ 815,000	\$ 1,184,793	\$ 1,482,602
Bond Premium	\$ -	\$ 80,634	\$ 2,622	\$ 78,012
Sick Leave Liability	\$ 92,417	\$ 5,342	\$ 29,002	\$ 68,757

NOTE 17 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2020, the District elected to adopt Governmental Accounting Standards Board ("GASB") Statement no. 84 "Fiduciary Activities", as it relates to accounting and financial reporting for fiduciary funds. As a result of this statement, school activity funds are considered governmental special revenue funds and not fiduciary funds.

GASB 84 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 \$189,155 addition in the beginning net position on the Statement of Activities.

NOTE 18 COVID-19 PANDEMIC

The COVID-19 outbreak in the United States has caused disruption through limited district activities. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. At this time, the District is uncertain on the disruption's impact on its operating results.

NOTE 19 SUBSEQUENT EVENTS

Subsequent events were considered through DATE, 2021, which represents the release date of our report.

SUPPLEMENTARY
INFORMATION

EXTERNAL DRAFT
10.25.21

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Combining Balance Sheet – Nonmajor Governmental Funds As of June 30, 2021

	Capital Outlay Fund	Construction Fund	Building Fund	Debt Service Fund	District Activity Fund	School Activity Fund	Total Non-major Government Funds
Assets							
Current:							
Cash and cash equivalents	\$ 179,388	\$ 143,376	\$ 57,734	\$ -	\$ 2,571	\$ 194,329	\$ 577,398
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total current	<u>\$ 179,388</u>	<u>\$ 143,376</u>	<u>\$ 57,734</u>	<u>\$ -</u>	<u>\$ 2,571</u>	<u>\$ 194,329</u>	<u>\$ 577,398</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	-	15,083	-	-	-	-	15,083
Total liabilities	<u>-</u>	<u>15,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,083</u>
Fund Balances:							
Assigned							
Restricted:							
Capital projects fund	\$ 179,388	\$ 128,293	\$ 57,734	\$ -	\$ -	\$ -	\$ 365,415
Other	-	-	-	-	2,571	194,329	196,900
Total fund balances	<u>179,388</u>	<u>128,293</u>	<u>57,734</u>	<u>-</u>	<u>2,571</u>	<u>194,329</u>	<u>562,315</u>
Total liabilities and fund balances	<u>\$ 179,388</u>	<u>\$ 143,376</u>	<u>\$ 57,734</u>	<u>\$ -</u>	<u>\$ 2,571</u>	<u>\$ 194,329</u>	<u>\$ 577,398</u>

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual – General Fund Year Ended June 30, 2021

	Capital Outlay Fund	Construction Funds	Building Funds	Debt Service Fund	District Activity Fund	School Activity Fund	Total Nonmajor Government Funds
Revenues:							
Taxes	\$ -	\$ -	\$ 474,208	\$ -	\$ -	\$ -	\$ 474,208
Earnings on investments	-	-	-	-	-	2,395	2,395
State sources	55,034	-	18,691	118,177	-	-	191,902
Other sources	-	-	-	-	-	149,029	149,029
Total revenues	55,034	-	492,899	118,177	-	151,424	817,534
Expenditures:							
Instructional	-	-	-	-	12,254	135,905	148,159
Facility acquisition and construction	-	417,205	-	-	-	-	417,205
Debt service:							
Principal	-	-	-	295,000	-	-	295,000
Interest	-	-	-	60,885	-	-	60,885
Total expenditures	-	417,205	-	355,885	12,254	135,905	921,249
Excess (deficit) of revenues over expenditures	55,034	(417,205)	492,899	(237,708)	(12,254)	15,519	(103,715)
Other Financing Sources (Uses)							
Proceeds from sale of bonds	-	-	-	815,000	-	-	815,000
Bond refunding	-	-	-	(880,000)	-	-	(880,000)
Bond refunding expense	-	-	-	65,000	-	-	65,000
Operating transfers in	-	544,482	-	237,708	10,345	-	792,535
Operating transfers out	(43,463)	-	(657,133)	-	-	(10,345)	(710,941)
Total other financing sources(uses)	(43,463)	544,482	(657,133)	237,708	10,345	(10,345)	81,594
Net change in fund balance	11,571	127,277	(164,234)	-	(1,909)	5,174	(22,121)
Fund balance, July 1, 2020	167,817	1,016	221,968	-	4,480	-	395,281
Net position adjustment (Note 17)	-	-	-	-	-	189,155	189,155
Fund balance, June 30, 2021	\$ 179,388	\$ 128,293	\$ 57,734	\$ -	\$ 2,571	\$ 194,329	\$ 562,315

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund
Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 3,713,000	\$ 3,713,000	\$ 4,096,650	\$ 383,650
Earnings on investments	50,000	50,000	60,037	10,037
State sources	1,385,349	1,385,349	3,304,268	1,918,919
Federal sources	40,000	40,000	74,790	34,790
Other sources	101,491	101,491	166,861	65,370
Total revenues	<u>5,289,840</u>	<u>5,289,840</u>	<u>7,702,606</u>	<u>2,412,766</u>
Expenditures				
Instructional	2,685,867	2,685,867	3,338,271	(652,404)
Student support services	320,405	320,405	391,831	(71,426)
Staff support services	610,885	610,885	688,996	(78,111)
District administration	846,518	846,518	647,180	199,338
School administration	474,592	474,592	690,150	(215,558)
Business support services	309,970	309,970	361,679	(51,709)
Plant operation and maintenance	2,255,489	2,239,749	765,963	1,473,786
Student transportation	97,456	97,456	19,711	77,745
Community service operations	1,346	1,346	384	962
Architecture/engineering	50,000	50,000	-	50,000
Other	517,858	517,858	103,908	413,950
Total expenditures	<u>8,170,386</u>	<u>8,154,646</u>	<u>7,008,073</u>	<u>1,146,573</u>
Net change in fund balance	(2,880,546)	(2,864,806)	694,533	3,559,339
Fund balance, July 1, 2020	<u>2,880,546</u>	<u>2,864,806</u>	<u>2,912,909</u>	<u>48,103</u>
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,607,442</u>	<u>\$ 3,607,442</u>

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
State sources	\$ 331,863	\$ 456,630	\$ 492,320	\$ 35,690
Federal sources	1,648,049	1,654,567	1,891,473	236,906
Other sources	10,818	24,984	30,706	5,722
Total revenues	<u>1,990,730</u>	<u>2,136,181</u>	<u>2,414,499</u>	<u>278,318</u>
Expenditures				
Instructional	1,638,998	1,686,115	1,947,267	(261,152)
Student support services	14,000	14,000	8,101	5,899
Staff support services	91,101	93,596	138,544	(44,948)
District administration	500	74,115	83,372	(9,257)
Plant operation and maintenance	85,839	93,896	52,869	41,027
Student transportation	3,230	3,230	246	2,984
Community service operations	113,672	113,672	112,522	1,150
Other	43,390	57,557	71,578	(14,021)
Total expenditures	<u>1,990,730</u>	<u>2,136,181</u>	<u>2,414,499</u>	<u>(278,318)</u>
Net change in fund balance	-	-	-	-
Fund balance, July 1, 2020	-	-	-	-
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Bond and Interest Redemption Funds
For the Year Ended June 30, 2021**

	Issue of 2007R	Issue of 2008	Issue of 2011	Issue of 2014 KISTA	Issue of 2019	Issue of 2021	Total
Cash at July 1, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Transfers and miscellaneous deposits	188,515	68,050	56,070	10,757	43,250	-	366,642
Disbursements:							
Bonds paid	185,000	50,000	35,000	9,793	25,000	-	304,793
Interest coupons	3,515	18,050	21,070	964	18,250	-	61,849
Transfers and miscellaneous	-	-	-	-	-	-	-
Call fee	-	-	-	-	-	-	-
Total disbursements	188,515	68,050	56,070	10,757	43,250	-	366,642
Excess of receipts over disbursements	-	-	-	-	-	-	-
Cash at June 30, 2021	-	-	-	-	-	-	-
Accounts Receivable and Payable							
Matured interest and bonds outstanding	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total accounts receivable and payable	-	-	-	-	-	-	-
Fund Balance at June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Bellevue Independent High School Activity Fund
For the Year Ended June 30, 2021**

	Fund Balance July 1, 2020	Receipts	Disbursements	Fund Balance June 30, 2021
ACT Prep Program	\$ 4,043	\$ -	\$ -	\$ 4,043
Animal Adoption Club	30	-	30	-
Art	106	-	-	106
Athletic Account	9,639	32,118	39,979	1,778
Baseball	4,770	1,830	4,922	1,678
Basketball - Boys	2,962	12,100	4,941	10,121
Basketball - Girls	1,703	13,915	8,827	6,791
Basketball - Youth	179	795	500	474
Bellevue Lions Club	1,000	-	-	1,000
Ben & Irene Flora Scholarship	2,474	-	1,000	1,474
BHS Alumni Memorial Fund	3,085	-	-	3,085
BHS Athletic Boosters Scholarship	2,000	-	500	1,500
BHS Band	353	-	-	353
Bluegrass Aerie	2,000	2,000	-	4,000
Bobby G & ME Scholarship	-	1,000	-	1,000
BOE Reimbursements	354	-	-	354
Bumper Mendell Scholarship	6,402	75	-	6,477
Burke Dailey memorial	-	1,000	-	1,000
CC Retired Teachers Scholarship	1,000	1,000	-	2,000
Charles Grant Scholarship	1,000	-	-	1,000
Cheerleading Account	678	2,283	2,843	118
Clara Kerlin Campbell Sch	1,000	1,000	-	2,000
Class of 2016	35	-	35	-
Class of 2021	48	1,690	1,738	-
Class of 2022	124	-	-	124
Class of 2023	32	-	-	32
Class of 2024	25	-	-	25
Class of 2025	250	-	-	250
Cross Country	1,238	500	624	1,114
Dead End Hounted House	-	250	-	250
Dennis and Beth West Scholarship	500	-	-	500
Dick Jones Memorial Scholarship	1,280	-	-	1,280
District Tournament Account	321	-	-	321
Donations/Charity Account	626	-	-	626
Drama Club	1,455	-	-	1,455
FBLA	122	-	-	122
FCA	1,101	100	-	1,201
Football	4,379	20,070	13,407	11,042
General Basketball Fund	5,365	40,513	44,429	1,449
General Student & Supplies	14,629	12,142	9,059	17,712
Girls Softball Team	90	400	195	295
Golf Team	239	400	36	603
Gym Concession Stand BKBa	500	-	171	329
Investment CD - Bumper	10,018	-	-	10,018

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
Bellevue Independent High School Activity Fund (Continued)
For the Year Ended June 30, 2021**

	Fund Balance July 1, 2020	Receipts	Disbursements	Fund Balance June 30, 2021
Investment CD - Spope	7,048	-	-	7,048
J Steely	12,183	5,240	6,426	10,997
J Steely - Scholarship	-	500	500	-
Jeffrey James Scholarship	2,918	1,330	-	4,248
John Thorwarth Club 65 Scholarship	20	-	-	20
June M Jana Memorial Scholarship	9,100	-	-	9,100
Kersten O'Day VFW 2899	500	-	-	500
Lambert Stem Scholarship	1,000	200	-	1,200
Lead by Example Scholarship	500	-	-	500
Library	168	-	-	168
Little Hoopsters Program	1,115	-	-	1,115
Maker Space	7	-	-	7
Mary Egan Memorial	991	-	200	791
Middle School Dance	509	-	-	509
MS Academic Team	30	-	-	30
Office/Staff Account	1,400	859	1,950	309
Parr Family Memorial Scholarship	205	-	-	205
Party Source Scholarship	500	3,250	-	3,750
Paul Weber Memorial Scholarship	200	300	200	300
Pep Stidham Memorial Scholarship	1,095	-	-	1,095
Prom	-	2,800	2,503	297
Sally Meng Memorial Fund	12,771	-	12,771	-
Sally Meng Scholarship	-	-	-	-
Schreiber Memorial Fund	3,360	-	700	2,660
Service Learning	90	-	-	90
Soccer Team	1,376	1,466	886	1,956
Special Ed.	897	-	12	885
Startup Money	-	3,000	3,000	-
Stephanie Wilson BB Memorial	5,604	300	150	5,754
Stephanie Wilson Scholarship	4,737	500	-	5,237
STLP	50	-	-	50
Student Incentives	167	-	167	-
Sunshine Fund	1,152	86	1,238	-
Sweep to Board	-	22,225	22,225	-
Swope Family Memorial	1,905	34	-	1,939
Swope Memorial Scholarship	-	13	13	-
Technology	-	100	-	100
Tennis Team	406	400	-	806
Track Team	340	8,020	8,357	3
Volleyball Team	-	528	-	528
William & Janet Dosch Scholarship	3,630	-	-	3,630
William Lubbers Estate	6,281	2,650	-	8,931
Yearbook	1,491	20	-	1,511
Transfers	-	(51,923)	(51,923)	-
Total	\$ 170,901	\$ 147,079	\$ 142,611	\$ 175,369

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Statement of Receipts, Disbursements and Fund Balance
School Activity Fund
For the Year Ended June 30, 2021**

	<u>Grandview Elementary</u>	<u>Total</u>
Fund balances at July 1, 2020	\$ 18,254	\$ 18,254
Add: receipts	4,345	4,345
Less: disbursements	<u>(3,639)</u>	<u>(3,639)</u>
Fund balance at June 30, 2021	<u>\$ 18,960</u>	<u>\$ 18,960</u>

EXTERNAL DRAFT
10.25.21

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability	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	14,299,424	14,920,545	15,085,899	32,522,032	34,953,498	26,350,126	24,267,058	*	*	*
Total	<u>\$14,299,424</u>	<u>\$14,920,545</u>	<u>\$15,085,899</u>	<u>\$32,522,032</u>	<u>\$34,953,498</u>	<u>\$26,350,126</u>	<u>\$24,267,058</u>	<u>*</u>	<u>*</u>	<u>*</u>
District's covered-employee payroll	\$ 3,417,543	\$ 3,621,709	\$ 3,665,764	\$ 3,705,343	\$ 3,632,924	\$ 3,548,887	\$ 3,690,245	\$ 3,391,195	\$ 3,106,096	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	58.27%	58.76%	59.27%	39.83%	35.22%	42.49%	45.59%	*	*	*

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

Changes of benefit terms: None

Changes of assumption: In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Table rather than the 1994 Group Annuity Mortality Table, which was used prior to 2011. In the 2011 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2011 valuation, the Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions.

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

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

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

Changes of assumption: In 2017, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.20% to 4.49%.

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions – TRS

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 160,552	\$ 136,617	\$ 145,009	\$ 131,242	\$ 124,474	\$ 126,380	\$ 113,879	\$ 84,061	\$ 59,777	\$ 58,803
Contributions in relation to the contractually required contribution	(160,552)	(136,617)	(145,009)	(131,242)	(124,474)	(126,380)	(113,879)	(84,061)	(59,777)	(58,803)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,528,568	\$ 3,417,543	\$ 3,621,709	\$ 3,665,764	\$ 3,705,343	\$ 3,632,924	\$ 3,548,887	\$ 3,690,245	\$ 3,391,195	\$ 3,106,096
Contributions as a percentage of covered-employee payroll	4.55%	4.00%	4.00%	3.58%	3.36%	3.48%	3.21%	2.28%	1.76%	1.89%

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of net pension liability	0.038688%	0.032223%	0.037848%	0.038260%	0.039498%	0.036667%	0.035635%	*	*	*
District's proportionate share of the net pension liability	\$ 2,967,338	\$ 2,266,399	\$ 2,305,059	\$ 2,239,475	\$ 1,944,735	\$ 1,576,495	\$ 1,156,000	*	*	*
Total net pension liability	\$ 7,669,917,211	\$ 7,033,044,552	\$ 6,090,304,793	\$ 5,853,307,482	\$ 4,923,618,237	\$ 4,299,525,565	\$ 3,244,377,000	*	*	*
District's covered-employee payroll	\$ 991,002	\$ 812,845	\$ 938,069	\$ 923,820	\$ 950,681	\$ 847,210	\$ 828,925	\$ 843,836	\$ 786,693	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	299.4%	278.8%	245.7%	242.4%	204.6%	186.1%	139.5%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%	*	*	*

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

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

2009: A new benefit tier for members who first participate on or after September 1, 2008 was introduced which included the following changes:

1. Tired structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

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 decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females).
- For disabled members, the RP-2000 Combined Disability 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 the mortality rates and that margin will be reviewed again when the next experience investigation conducted.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2017

- The assumed investment rate of return was decreased from 7.5% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- The assumed rate of salary growth was reduced from 4.00% to 3.05%.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions – CERS

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 251,128	\$ 238,435	\$ 174,599	\$ 179,922	\$172,569	\$162,186	\$ 149,702	\$ 156,584	\$ 164,970	\$ 154,093
Contributions in relation to the contractually required contribution	(251,128)	(238,435)	(174,599)	(179,922)	(172,569)	(162,186)	(149,702)	(156,584)	(164,970)	(154,093)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,045,574	\$ 991,002	\$ 812,845	\$ 938,069	\$923,820	\$950,681	\$ 847,210	\$ 828,925	\$ 843,836	\$ 786,693
Contributions as a percentage of covered-employee payroll	24.02%	24.06%	21.48%	19.18%	18.68%	17.06%	17.67%	18.89%	19.55%	19.59%

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	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	33,000	32,000	30,000	25,000	*	*	*	*	*	*
Total net OPEB liability	\$ 33,000	\$ 32,000	\$ 30,000	\$ 25,000	*	*	*	*	*	*
District's covered-employee payroll	\$ 3,417,543	\$ 3,621,709	\$ 3,665,764	\$ 3,705,343	*	*	*	*	*	*
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%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	71.57%	73.40%	74.97%	79.99%	*	*	*	*	*	*

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

Changes of benefit terms - None.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as 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, 2020:

Valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	27 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	7.50%

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions - LIF

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	*	*	*	*	*	*
Contribution deficiency	-	-	-	-	*	*	*	*	*	*
District's covered-employee payroll	\$ 3,528,568	\$ 3,417,543	\$ 3,621,709	\$ 3,665,764	*	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	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.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Schedule of District's Proportionate Share of Net OPEB Liability – MIF

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	0.094296%	0.057618%	0.058999%	0.063103%	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 1,351,000	\$ 1,686,000	\$ 2,047,000	\$ 2,250,000	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 1,082,000	\$ 1,362,000	\$ 1,764,000	\$ 1,838,000	*	*	*	*	*	*
Total net OPEB liability	\$ 2,433,000	\$ 3,048,000	\$ 3,811,000	\$ 4,088,000	*	*	*	*	*	*
District's covered-employee payroll	\$ 3,417,543	\$ 3,621,709	\$ 3,665,764	\$ 3,705,343	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	39.5%	46.6%	55.8%	60.7%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	39.05%	32.58%	25.54%	21.18%	*	*	*	*	*	*

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

Changes of benefit terms - With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the state will only finance, via its KEHP "Shared Responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contributions 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, 2020:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	21 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Health care cost trends	
Under 65	7.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2029
Ages 65 and older	5.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2022
Medicare Part B premiums	0.49% for FY 2020 with an ultimate rate of 5.00% by 2032
Under age 65 claims	The current premium charged by KEHP is used as the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions - MIF

Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 94,555	\$ 100,328	\$ 105,096	\$ 108,114	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	(94,555)	(100,328)	(105,096)	(108,114)	*	*	*	*	*	*
Contribution deficiency	-	-	-	-	*	*	*	*	*	*
District's covered-employee payroll	\$ 3,528,568	\$ 3,417,543	\$ 3,621,709	\$ 3,665,764	*	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	2.68%	2.94%	2.90%	2.95%	*	*	*	*	*	*

* 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 contributions 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, 2020:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	21 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Health care cost trends	
Under 65	7.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2029
Ages 65 and older	5.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2022
Medicare Part B premiums	0.49% for FY 2020 with an ultimate rate of 5.00% by 2032
Under age 65 claims	The current premium charged by KEHP is used as the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Schedule District Contributions – MIF (CERS)

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	0.038677%	0.032216%	0.037847%	0.038260%	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 933,932	\$ 541,859	\$ 671,966	\$ 769,157	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
Total net OPEB liability	\$ 933,932	\$ 541,859	\$ 671,966	\$ 769,157	*	*	*	*	*	*
District's covered-employee payroll	\$ 991,002	\$ 812,845	\$ 938,069	\$ 923,820	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	94.2%	66.7%	71.6%	83.3%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	51.67%	60.44%	57.62%	52.40%	*	*	*	*	*	*

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

Changes in assumptions: None

2018: Updated healthcare trend rates were implemented.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Schedule District Contributions – MIF (CERS)

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 47,172	\$ 42,756	\$ 44,089	\$ 44,062	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(47,172)</u>	<u>(42,756)</u>	<u>(44,089)</u>	<u>(44,062)</u>	<u>*</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	\$ 1,045,574	\$ 991,002	\$ 812,845	\$ 938,069	*	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	4.51%	4.31%	5.42%	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.

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Agreement Number	Federal Expenditures for FYE June 30, 2021	Expenditures to Subrecipients
<u>U.S. Department of Education</u>				
<i>Passed through Kentucky Department of Education</i>				
Special Education Cluster				
Special Education Grants to States	84.027	3810002 20	\$ 19,426	\$ -
Special Education Grants to States	84.027	3810002 21	168,691	-
Special Education Grants to States	84.173	3800002 19	12,303	-
Special Education Preschool Grants	84.173	3800002 20	24,753	-
Special Education Preschool Grants	84.173	3800002 21	5,923	-
Total Special Education Cluster			231,096	-
Title I Grants to Local Educational Agencies	84.010	3100002 20	71,661	-
Title I Grants to Local Educational Agencies	84.010	3100002 21	137,937	-
Total CFDA #84.010			209,598	-
Title II Improving Teacher Quality State Grants	84.367	320002 19	4,652	-
Title II Improving Teacher Quality State Grants	85.367	320002 20	8,190	-
Title II Improving Teacher Quality State Grants	84.367	320002 21	6,466	-
Total CFDA #84.367			19,308	-
Striving Readers	84.371C	S371C170016	46,272	-
Title IV-A Student Support and Academic Enrichment	84.424A	3420002 18	1,802	-
Elementary and Secondary School Emergency Relief Fund	84.425C	GEER 20	22,117	-
Elementary and Secondary School Emergency Relief Fund	84.425D	4000002 20	144,198	-
Elementary and Secondary School Emergency Relief Fund	84.425D	4000003 20	2,910	-
Elementary and Secondary School Emergency Relief Fund	84.425D	4200002 21	111,869	-
Total CFDA #84.425D			281,094	-
<i>Direct from U.S. Department of Education</i>				
Innovative Approaches to Literacy	84.215G	S215G180045	1,102,576	763,143
Total U.S. Department of Education			1,891,746	763,143
<u>U.S. Department of Treasury</u>				
<i>Passed through Kentucky Department of Education</i>				
Coronavirus Relief Fund	21.019	CARES 20	81,672	-
Total U.S. Department of Treasury			81,672	-
<u>U.S. Department of Agriculture</u>				
Child Nutrition Cluster				
<i>Passed through Kentucky Department of Education</i>				
National School Lunch Program	10.555	7750002 20	1,177	-
School Breakfast Program	10.553	7760005 20	608	-
Summer Food Service Program for Children	10.559	7690024 20	3,930	-
Summer Food Service Program for Children	10.559	7690024 21	34,233	-
Summer Food Service Program for Children	10.559	7740023 20	38,120	-
Summer Food Service Program for Children	10.559	7740023 21	333,153	-
<i>Passed through Kentucky Department of Agriculture</i>				
National School Lunch Program - Food Donation	10.555	4000814	18,840	-
Total Child Nutrition Cluster			430,061	-
Fresh Fruit and Vegetable Program	10.582	7720012 21	14,575	-
Total U.S. Department of Agriculture			444,636	-
Total Expenditures of Federal Awards			\$ 2,418,054	\$ 763,143

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Bellevue Independent School District under programs of the federal government for the year ended June 30, 2021, 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 Bellevue Independent School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 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, 2021, the District reported food commodities expended in the amount of \$18,840.

NOTE 4 INDIRECT COST RATE

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

SECTION I -SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs

CFDA No.	Name of Federal Program or Cluster
84.215G	Innovative Approaches to Literacy
84.425	Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act

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

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

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

EXTERNAL DRAFT
10.25.21

BELLEVUE INDEPENDENT SCHOOL DISTRICT

Management Letter Comments Year Ended June 30, 2021

In planning and performing our audit of the financial statements of Bellevue Independent School District for the year ended June 30, 2021, 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 DATE, 2021 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated DATE, 2021, on the financial statements of the Bellevue Independent School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Bellevue Independent High School

No matters are reportable

Grandview Elementary

No matters are reportable

BELLEVUE INDEPENDENT SCHOOL DISTRICT

**Management Letter Comments
Year Ended June 30, 2021**

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Bellevue Independent High School

Statement of prior year deficiency: It was noted that money received was not remitted to the bookkeeper on the day it was received.

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

Grandview Elementary

No matters were reportable

EXTERNAL DRAFT
10.25.21