

Bullitt County School District

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

DRAFT 11-7-2021

BULLITT COUNTY SCHOOL DISTRICT

June 30, 2021

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bullitt County School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Bullitt County School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bullitt County School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 18 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities, effective as of July 1, 2020. The implementation of this accounting standard resulted in a restatement of prior year net position. Our opinion is not modified with respect to this matter.

**Independent Auditors' Report
(Continued)**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (unaudited), budgetary comparison and pension liability and OPEB liability and contributions information on pages 3-6, 49-51, and 60-69 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE**, 2021 on our consideration of the Bullitt County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bullitt County School District's internal control over financial reporting and compliance.

Crestview Hills, Kentucky
DATE, 2021

BULLITT COUNTY SCHOOL DISTRICT

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

As management of the Bullitt County School District (District), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

Overview

- The ending cash balance for the District was \$44.3 million. The most significant cash balance was for the General Fund of \$17.5 million. The General Fund had \$19.9 million in cash at June 30, 2020.
- The General Fund had \$118.7 million in revenue, which primarily consisted of the state program (SEEK), state on-behalf payments, property, utilities, and motor vehicle taxes. Excluding interfund transfers, there were \$117.5 million in General Fund expenditures.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

BULLITT COUNTY SCHOOL DISTRICT

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

FINANCIAL HIGHLIGHTS (Continued)

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

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

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BULLITT COUNTY SCHOOL DISTRICT

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

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

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

Net Position for the periods ending 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	\$ 50,407,584	\$ 30,529,212
Noncurrent assets	<u>229,080,748</u>	<u>234,147,535</u>
Total assets	<u>279,488,332</u>	<u>264,676,747</u>
Deferred outflows	23,580,540	19,773,527
Current liabilities	14,478,492	14,848,902
Noncurrent liabilities	<u>249,527,672</u>	<u>233,700,873</u>
Total liabilities	<u>264,006,164</u>	<u>248,549,775</u>
Deferred inflows	14,869,332	13,416,615
Net position		
Investment in capital assets (net of debt)	58,842,274	78,548,367
Restricted	21,749,916	5,290,668
Unrestricted	<u>(56,398,814)</u>	<u>(61,355,151)</u>
Total net position	<u>\$ 24,193,376</u>	<u>\$ 22,483,884</u>

Comments on General Fund Budget Comparisons

- The District's total revenues in the General Fund for the fiscal year ended June 30, 2021, were \$118,217,046, net of inter-fund transfers and sale of assets, of \$1,166,539 and \$523, respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$161,329 less than budget or approximately 0.13% of General Fund Budget.
- General Fund actual expenditures were \$117,575,723, net of inter-fund transfers of \$1,061,894.
- General Fund actual expenditures were less than budgeted expenditures by \$14,157,820.

BULLITT COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A - Unaudited)
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	\$ 50,845	\$ 1,402,934
Operating grants	21,105,819	16,653,086
Capital grants	-	4,466,317
Total grant revenues	<u>21,156,664</u>	<u>22,522,337</u>
General Revenues		
Taxes	62,629,583	55,470,477
Grants and entitlements	25,217,512	29,460,339
Earnings on investments	131,452	96,642
Other local sources	1,139,403	918,470
Total general revenues	<u>89,117,950</u>	<u>85,945,928</u>
Total revenues	<u>110,274,614</u>	<u>108,468,265</u>
Expenses		
Instructional	42,108,131	42,330,866
Student support services	6,015,973	5,599,090
Staff support	10,967,161	10,608,828
District administration	2,632,590	2,266,415
School administration	9,390,023	9,688,871
Business support	2,557,996	3,103,676
Plant operations	16,427,002	16,407,725
Student transportation	5,172,769	8,433,581
Food service operation	7,116,703	6,961,036
Day care	94,675	-
Community service	1,029,032	997,298
Other	802,214	7,398
Interest on long-term debt	<u>5,156,239</u>	<u>5,736,716</u>
Total expenses	<u>109,470,508</u>	<u>112,141,500</u>
Change in net position	<u>\$ 804,106</u>	<u>\$ (3,673,235)</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

BULLITT COUNTY SCHOOL DISTRICT

Statement of Net Position – District Wide June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and cash equivalents	\$ 44,349,580	\$ -	\$ 44,349,580
Accounts receivable	4,047,312	791,561	4,838,873
Miscellaneous receivable	1,000	-	1,000
Interfund receivable	428,357	-	428,357
Prepaid expenses	721,976	-	721,976
Inventories for consumption	-	67,798	67,798
Total current	49,548,225	859,359	50,407,584
Noncurrent:			
Construction in progress	3,539,443	-	3,539,443
Nondepreciated capital assets:			
Land	7,384,214	-	7,384,214
Depreciated capital assets:			
Land improvements	1,147,979	-	1,147,979
Buildings and improvements	317,021,377	-	317,021,377
Furniture and equipment	29,280,668	4,449,968	33,730,636
Less: accumulated depreciation	(130,005,213)	(3,737,688)	(133,742,901)
Total noncurrent	228,368,468	712,280	229,080,748
Total assets	277,916,693	1,571,639	279,488,332
Deferred outflows			
Deferred loss from refunding bonds	1,953,706	-	1,953,706
Deferred outflows from pension and OPEB liabilities	19,310,715	2,316,119	21,626,834
Total deferred outflows	21,264,421	2,316,119	23,580,540
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	9,940,000	-	9,940,000
Accounts payable	909,082	73,013	982,095
Accrued interest	1,277,307	-	1,277,307
Accrued sick and vacation leave	121,900	-	121,900
Accrued payroll and related expenses	69,363	-	69,363
Current portion of capital leases	200,109	-	200,109
Unearned revenues	1,459,360	-	1,459,360
Interfund payable	105,138	323,220	428,358
Total current	14,082,259	396,233	14,478,492
Noncurrent:			
Accrued sick and vacation leave	1,097,097	-	1,097,097
Capital Leases	67,865	-	67,865
MIF net OPEB liability - TRS	24,144,000	-	24,144,000
MIF net OPEB liability	13,536,272	2,143,966	15,680,238
CERS net pension liability	42,978,115	6,807,164	49,785,279
Bond obligations	158,753,193	-	158,753,193
Total noncurrent	240,576,542	8,951,130	249,527,672
Total liabilities	254,658,801	9,347,363	264,006,164
Deferred inflows	14,309,786	559,546	14,869,332
Net Position			
Invested in capital assets, net of related debt	58,129,994	712,280	58,842,274
Restricted	28,481,347	(6,731,431)	21,749,916
Unrestricted	(56,398,814)	-	(56,398,814)
Total net position	\$ 30,212,527	\$ (6,019,151)	\$ 24,193,376

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Statement of Activities – District Wide For Year Ended June 30, 2021

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instructional	\$ 42,108,131	\$ 9,046	\$ 9,304,188	\$ -	\$ (32,794,897)	\$ -	\$ (32,794,897)
Student support services	6,015,973	-	467,693	-	(5,548,280)	-	(5,548,280)
Staff support services	10,967,161	-	2,482,497	-	(8,484,664)	-	(8,484,664)
District administration	2,632,590	-	202,058	-	(2,430,532)	-	(2,430,532)
School administration	9,390,023	-	386,252	-	(9,003,771)	-	(9,003,771)
Business support services	2,557,996	-	345,834	-	(2,212,162)	-	(2,212,162)
Plant operation and maintenance	16,427,002	-	1,159,246	-	(15,267,756)	-	(15,267,756)
Student transportation	5,172,769	-	238,405	-	(4,934,364)	-	(4,934,364)
Food service operations	94,675	-	94,675	-	-	-	-
Community service operations	1,029,032	-	1,008,851	-	(20,181)	-	(20,181)
Facility acquisition and construction	788,151	-	-	-	(788,151)	-	(788,151)
Other	14,063	-	-	-	(14,063)	-	(14,063)
Interest on long-term debt	5,156,239	-	-	-	(5,156,239)	-	(5,156,239)
Total governmental activities	102,353,805	9,046	15,689,699	-	(86,655,060)	-	(86,655,060)
Business-type activities							
Food service	7,116,703	41,799	5,416,120	-	-	(1,658,784)	(1,658,784)
Total business-type activities	7,116,703	41,799	5,416,120	-	-	(1,658,784)	(1,658,784)
Total school district	\$ 109,470,508	\$ 50,845	\$ 21,105,819	\$ -	(86,655,060)	(1,658,784)	(88,313,844)
General revenues:							
					62,629,583	-	62,629,583
Taxes					25,217,512	-	25,217,512
State and federal sources					130,633	819	131,452
Investment earnings					734,728	-	734,728
Other local sources					1,502,357	-	1,502,357
Activity fund income					75,274	-	75,274
District activity fund revenue					-	-	-
Special items:							
Gain/(Loss) on sale of assets					(1,172,956)	-	(1,172,956)
Fund transfer					295,164	(295,164)	-
Total general and special revenues					89,412,295	(294,345)	89,117,950
Change in net position					2,757,235	(1,953,129)	804,106
Net position - beginning					26,549,906	(4,066,022)	22,483,884
Net position adjustment (Note 18)					905,386	-	905,386
Net position - ending					\$ 30,212,527	\$ (6,019,151)	\$ 24,193,376

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Balance Sheet – Governmental Funds As of June 30, 2021

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Current:					
Cash and cash equivalents	\$ 17,501,032	\$ -	22,963,206	\$ 3,885,342	\$ 44,349,580
Interfund receivable	428,357	-	-	-	428,357
Accounts receivable	1,737,951	2,308,957	-	404	4,047,312
Miscellaneous receivable	-	1,000	-	-	1,000
Prepaid expenses	-	-	-	721,976	721,976
Total assets	<u>\$ 19,667,340</u>	<u>\$ 2,309,957</u>	<u>\$ 22,963,206</u>	<u>\$ 4,607,722</u>	<u>\$ 49,548,225</u>
Liabilities and Fund Balances					
Liabilities					
Current:					
Accounts payable	354,496	113,392	417,376	\$ 23,818	\$ 909,082
Unearned revenue	110,047	1,349,313	-	-	1,459,360
Interfund payable	-	105,138	-	-	105,138
Accrued payroll and related expenses	69,363	-	-	-	69,363
Total liabilities	<u>533,906</u>	<u>1,567,843</u>	<u>417,376</u>	<u>23,818</u>	<u>2,542,943</u>
Fund Balances					
Restricted:					
Capital projects	-	-	22,545,830	2,413,739	24,959,569
Debt service	-	-	-	723,702	723,702
Grants	-	742,114	-	-	742,114
Other	-	-	-	1,446,463	1,446,463
Committed:					
Sick leave	609,499	-	-	-	609,499
Assigned:					
Other	3,374,804	-	-	-	3,374,804
Unassigned	15,149,131	-	-	-	15,149,131
Total fund balances	<u>19,133,434</u>	<u>742,114</u>	<u>22,545,830</u>	<u>4,583,904</u>	<u>47,005,282</u>
Total liabilities and fund balances	<u>\$ 19,667,340</u>	<u>\$ 2,309,957</u>	<u>\$ 22,963,206</u>	<u>\$ 4,607,722</u>	<u>\$ 49,548,225</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

Total governmental fund balance		\$ 47,005,282
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	3,539,443	
Cost of capital assets	354,834,238	
Accumulated depreciation	<u>(130,005,213)</u>	228,368,468
Deferred outflows related to CERS	5,056,474	
Deferred outflows for CERS contributions made after the measurement date	3,459,944	
Deferred outflows related to MIF	10,794,297	
Deferred outflows for bond refinancing	<u>1,953,706</u>	21,264,421
Deferred inflows related to CERS	(853,388)	
Deferred inflows related to MIF	<u>(13,456,398)</u>	(14,309,786)
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		(167,695,000)
Bond discount		1,250,590
Bond premium		(2,248,783)
Accrued interest on bonds		(1,277,307)
Capital lease obligations		(267,974)
Net pension liability		(42,978,115)
Net OPEB liability - CERS		(13,536,272)
Net OPEB liability - TRS MIF		(24,144,000)
Accrued sick leave		<u>(1,218,997)</u>
Total net position - governmental		<u>\$ 30,212,527</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 49,872,459	\$ 118,640	\$ -	\$ 12,638,484	\$ 62,629,583
Earnings on investments	84,697	3,305	39,617	3,014	130,633
State sources	67,382,932	6,362,522	-	4,382,382	78,127,836
Federal sources	213,092	8,672,600	-	-	8,885,692
Other local sources	663,866	654,577	-	1,577,631	2,896,074
Total revenues	118,217,046	15,811,644	39,617	18,601,511	152,669,818
Expenditures					
Instructional	75,820,352	9,787,398	-	1,158,617	86,766,367
Student support services	5,419,836	467,693	-	26,117	5,913,646
Staff support services	8,413,915	2,482,497	-	69,566	10,965,978
District administration	2,209,093	202,058	-	-	2,411,151
School administration	8,921,169	386,252	-	-	9,307,421
Business support services	2,212,162	345,834	-	-	2,557,996
Plant operation and maintenance	8,399,650	1,159,246	-	-	9,558,896
Student transportation	6,159,365	238,405	-	2,669	6,400,439
Food service operation	-	94,675	-	-	94,675
Community service operations	20,181	1,008,851	-	-	1,029,032
Facility acquisition and construction	-	-	3,531,704	-	3,531,704
Other	-	-	-	14,063	14,063
Debt service:					
Principal	-	-	-	9,270,000	9,270,000
Interest	-	-	-	5,303,564	5,303,564
Total expenditures	117,575,723	16,172,909	3,531,704	15,844,596	153,124,932
Excess (deficit) of revenues over expenditures	641,323	(361,265)	(3,492,087)	2,756,915	(455,114)
Other financing sources (uses)					
Loan and bond proceeds	-	-	19,830,000	-	19,830,000
Premium on bond	-	-	660,227	-	660,227
Proceeds from sale of assets	523	-	-	-	523
Operating transfers in	1,166,540	507,620	3,495,482	14,120,262	19,289,904
Operating transfers out	(1,061,894)	-	-	(17,932,846)	(18,994,740)
Total other financing sources (uses)	105,169	507,620	23,985,709	(3,812,584)	20,785,914
Net change in fund balance	746,492	146,355	20,493,622	(1,055,669)	20,330,800
Fund balance, July 1, 2020	18,386,942	595,759	2,052,208	4,734,187	25,769,096
Net position adjustment (Note 18)	-	-	-	905,386	905,386
Fund balance, June 30, 2021	\$ 19,133,434	\$ 742,114	\$ 22,545,830	\$ 4,583,904	\$ 47,005,282

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

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

Net changes-governmental funds		\$ 20,330,800
<p>Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.</p>		
Depreciation expense	(8,807,105)	
Capital outlays	5,210,593	
Retirement of capital assets	<u>(1,173,479)</u>	
		(4,769,991)
<p>Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>		
Bond principal paid		9,270,000
Bond proceeds		(19,830,000)
Bond premium		(660,227)
Amortization of bond discount and premium, net		79,908
Capital lease principal paid		295,876
Deferred outflows related to pensions		(375,191)
Deferred outflows related to other post-retirement employee benefits		3,684,914
Deferred inflows related to pensions		990,127
Deferred inflows related to other post-retirement employee benefits		(2,663,331)
<p>Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>		
		<u>(3,595,650)</u>
Changes in net position of governmental activities		<u>\$ 2,757,235</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Food Service</u>	<u>Total</u>
Assets		
Current		
Accounts receivable	\$ 791,561	\$ 791,561
Inventories for consumption	67,798	67,798
Total current	<u>859,359</u>	<u>859,359</u>
Noncurrent		
Furniture and Fixtures	4,449,968	4,449,968
Less: accumulated depreciation	<u>(3,737,688)</u>	<u>(3,737,688)</u>
Total noncurrent	<u>712,280</u>	<u>712,280</u>
Total assets	<u>1,571,639</u>	<u>1,571,639</u>
Deferred outflows	<u>2,316,119</u>	<u>2,316,119</u>
Liabilities and Net Position		
Liabilities		
Current		
Accounts payable	73,013	73,013
Interfund payable	<u>323,220</u>	<u>323,220</u>
Total current	<u>396,233</u>	<u>396,233</u>
Noncurrent		
MIF net OPEB liability	2,143,966	2,143,966
CERS net pension liability	<u>6,807,164</u>	<u>6,807,164</u>
Total noncurrent	<u>8,951,130</u>	<u>8,951,130</u>
Total liabilities	<u>9,347,363</u>	<u>9,347,363</u>
Deferred inflows	<u>559,546</u>	<u>559,546</u>
Net Position		
Invested in assets, net of debt	712,280	712,280
Restricted	<u>(6,731,431)</u>	<u>(6,731,431)</u>
Total net position	<u>\$ (6,019,151)</u>	<u>\$ (6,019,151)</u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

	Food Service	Total
Operating revenues		
Lunchroom sales	\$ 38,985	\$ 38,985
Other operating revenues	2,814	2,814
Total operating revenues	<u>41,799</u>	<u>41,799</u>
Operating expenses		
Salaries and benefits	4,596,044	4,596,044
Contract services	83,250	83,250
Materials and supplies	2,174,395	2,174,395
Depreciation	261,850	261,850
Other operating expenses	1,164	1,164
Total operating expenses	<u>7,116,703</u>	<u>7,116,703</u>
Operating income (loss)	<u>(7,074,904)</u>	<u>(7,074,904)</u>
Nonoperating revenues (expenses)		
Federal grants	4,711,288	4,711,288
State grants	55,053	55,053
On-behalf revenues	433,061	433,061
Donated commodities and other donations	216,718	216,718
Transfers out	(295,164)	(295,164)
Interest income	819	819
Total nonoperating revenues	<u>5,121,775</u>	<u>5,121,775</u>
Change in net position	(1,953,129)	(1,953,129)
Total net position, July 1, 2020	<u>(4,066,022)</u>	<u>(4,066,022)</u>
Total net position, June 30, 2021	<u><u>\$ (6,019,151)</u></u>	<u><u>\$ (6,019,151)</u></u>

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

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

	Food Service Fund	Total
Cash flows from operating activities		
Cash received from lunchroom sales	\$ 38,985	\$ 38,985
Cash used in other activities	(354,168)	(354,168)
Cash payments to employees for services	(3,485,428)	(3,485,428)
Cash payments to suppliers for goods and services	(2,038,027)	(2,038,027)
Cash transfers	(295,164)	(295,164)
Net cash used in operating activities	<u>(6,133,802)</u>	<u>(6,133,802)</u>
Cash flows from capital financing activities		
Purchase of capital assets	<u>(26,953)</u>	<u>(26,953)</u>
Cash flows from noncapital financing activities		
Non-operating revenues received	<u>5,416,120</u>	<u>5,416,120</u>
Cash flows from investing activities		
Interest on investments	<u>819</u>	<u>819</u>
Net decrease in cash and cash equivalents	(743,816)	(743,816)
Cash and cash equivalents - beginning	<u>743,816</u>	<u>743,816</u>
Cash and cash equivalents - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating loss to net cash used in operating activities		
Operating income (loss)	\$ (7,074,904)	\$ (7,074,904)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	261,850	261,850
Gain on disposal of capital assets	61,899	61,899
Transfers	(295,164)	(295,164)
Changes in assets and liabilities:		
(Increase) in accounts receivable	(680,202)	(680,202)
Increase in accounts payable	61,437	61,437
Increase in interfund payables	323,220	323,220
(Increase) in deferred outflows	(497,290)	(497,290)
(Decrease) in deferred inflows	(220,487)	(220,487)
Increase in MIF net OPEB liability	769,598	769,598
Increase in CERS net pension liability	1,058,795	1,058,795
Decrease in inventories	<u>97,446</u>	<u>97,446</u>
Net cash used in operating activities	<u><u>\$ (6,133,802)</u></u>	<u><u>\$ (6,133,802)</u></u>
Schedule of non-cash transactions:		
Donated commodities received from federal government	\$ 216,718	\$ 216,718
On behalf payments	\$ 433,061	\$ 433,061

The accompanying notes are an integral part of these financial statements

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

Basis of Presentation

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

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

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

The District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.
- (B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the schedule of expenditures of federal awards included in this report on page 70-71. This is a major fund of the District.
- (C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

I. Governmental Fund Types (continued)

- (E) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).
1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.
 2. The Facility Support Program of Kentucky Fund (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.
 3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$22,545,830 for ongoing projects.

II. Debt Service Fund

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

III. Proprietary Fund (Enterprise Fund)

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

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

Basis of Accounting

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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

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

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

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

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

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

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

Taxes

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

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:

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process (Continued)

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

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

Prepaid Items

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

Capital Assets

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

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

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Accumulated Unpaid Sick and Vacation 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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

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

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

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

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

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

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

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

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

Net Position

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

Operating Revenues and Expenses

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

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

Pensions

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

Postemployment Benefits Other than Pensions (OPEB)

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

NOTE 2 ESTIMATES

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

NOTE 3 CASH AND CASH EQUIVALENTS

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 4 CAPITAL ASSETS

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

<u>Governmental Activities</u>	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Land	\$ 7,384,214	\$ -	\$ -	\$ 7,384,214
Land improvements	1,147,979	-	-	1,147,979
Buildings and improvements	306,642,802	10,378,575	-	317,021,377
Technology equipment	15,391,426	606,346	488,391	15,509,381
Vehicles	11,046,891	1,839,517	1,144,394	11,742,014
General equipment	2,008,896	21,177	800	2,029,273
Construction work in progress	11,174,465	3,438,676	11,073,698	3,539,443
Totals at historical cost	354,796,673	16,284,291	12,707,283	358,373,681
Less: accumulated depreciation				
Land improvements	176,980	57,399	-	234,379
Buildings and improvements	99,418,300	6,760,678	-	106,178,978
Technology equipment	12,526,288	1,241,679	459,766	13,308,201
Vehicles	8,257,942	641,314	-	8,899,256
General equipment	1,278,704	106,035	340	1,384,399
Total accumulated depreciation	121,658,214	8,807,105	460,106	130,005,213
Governmental activities capital assets - net	<u>\$ 233,138,459</u>	<u>\$ 7,477,186</u>	<u>\$ 12,247,177</u>	<u>\$ 228,368,468</u>
<u>Business - Type Activities</u>				
General equipment	\$ 4,430,752	\$ 26,953	\$ 61,899	\$ 4,395,806
Technology equipment	54,362	-	200	54,162
Totals at historical cost	4,485,114	26,953	62,099	4,449,968
Less: accumulated depreciation				
General equipment	3,439,254	255,719	-	3,694,973
Technology equipment	36,784	6,131	200	42,715
Total accumulated depreciation	3,476,038	261,850	200	3,737,688
Business - type activities capital assets - net	<u>\$ 1,009,076</u>	<u>\$ (234,897)</u>	<u>\$ 61,899</u>	<u>\$ 712,280</u>

BULLITT COUNTY SCHOOL DISTRICT**Notes to the Financial Statement
(Continued)****NOTE 4 CAPITAL ASSETS (CONTINUED)**

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

	<u>Governmental</u>	<u>Business-Type</u>
Instruction	\$ 919,601	\$ -
Student support services	102,327	-
Staff support services	1,183	-
District administration	221,439	-
School administration	82,602	-
Plant operation and maintenance	6,868,106	-
Food service	-	261,850
Student transportation	611,847	-
Total	<u>\$ 8,807,105</u>	<u>\$ 261,850</u>

NOTE 5 ACCUMULATED UNPAID SICK AND VACATION 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 \$1,218,997 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>
July 1, 2010	\$ 9,065,000	1.00% - 3.00%
December 1, 2011	2,420,000	1.00% - 2.375%
February 1, 2012	1,135,000	1.00% - 2.375%
March 1, 2012	13,355,000	2.50% - 3.75%
December 1, 2012	23,675,000	2.00% - 2.125%
October 1, 2013	26,815,000	2.00% - 4.125%
July 1, 2014	48,595,000	5.50% - 5.00%
October 1, 2015	20,370,000	2.00% - 3.375%
January 1, 2016	7,890,000	2.00% - 3.00%
June 1, 2017	16,945,000	2.00% - 5.00%
October 1, 2017	14,110,000	3.00% - 5.00%
June 1, 2018	9,775,000	2.00% - 4.00%
December 29, 2020	19,830,000	1.625% - 4.00%

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT (Continued)

The District entered into "participation agreements" for certain bonds with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 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 covers employees whose position does not require a college degree or teaching certification. The Kentucky Teachers Retirement System covers positions requiring teaching certification or otherwise requiring a college degree.

General information about the County Employees Retirement System Non-Hazardous

Plan description

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

Benefits provided

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

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

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 \$4,921,796, which consisted of \$4,007,953 from the District and \$913,843 from the employees. The contributions have been contributed in full for fiscal years 2021.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

Plan description

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

Benefits provided

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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

Contributions

Contribution rates are established by Kentucky Revised Statutes. Non-university employees are required to contribute 12.855% of their salaries to the System. The contribution requirement for TRS for the year ended June 30, 2021, was \$10,327,814, which consisted of \$2,380,278 from the District and \$7,947,536 from the employees. The contributions have been contributed in full for fiscal years 2021.

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

Medical Insurance Plan

Plan description

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

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

Funding policy

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (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	\$ 49,785,279
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>255,049,121</u>
	<u>\$304,834,400</u>

The net pension liability for each plan was measured as of June 30, 2019, 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, 2021, the District's proportion was 0.639930% percent.

For the year ended June 30, 2021, the District recognized pension expense of \$3,409,484 related to CERS. The District also recognized a reduction of expense of \$46,760,894 and a reduction of revenue of \$46,760,894 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,241,487	\$ -
Net difference between projected and actual earnings on pension plan investments	2,158,025	912,211
Changes of assumptions	1,944,031	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	513,809	76,342
District contributions subsequent to the measurement date	<u>4,007,953</u>	<u>-</u>
Total	<u>\$ 9,865,305</u>	<u>\$ 988,553</u>

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

\$4,007,953 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, 2021. 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	\$ 2,217,349
2023	1,527,003
2024	624,099
2025	500,348
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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

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

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 61,396,083	\$ 49,785,279	\$ 40,171,093
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 Bullitt County Schools are provided other post employment benefits (OPEB) through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

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

Contributions

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

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

Plan description

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

Benefits

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

Contributions

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

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

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

At June 30, 2021, the Bullitt County Schools District reported a liability of \$39,824,238 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. At both June 30, 2021 and 2020, the District's proportion was 1.73 percent for TRS and 0.64 percent for CERS.

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	\$ 15,680,238
District's proportionate share of the TRS net OPEB liability	24,144,000
State's proportionate share of the net OPEB liability associated with the District	<u>19,340,000</u>
	<u>\$ 59,164,238</u>

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 8 OPEB PLANS (CONTINUED)

For the year ended June 30, 2021, the District recognized OPEB expense of \$3,466,812 and revenue of \$1,353,377 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual performance	\$ 2,619,839	\$ 12,914,885
Net difference between projected and actual earnings on OPEB plan investments	1,627,130	319,956
Change of assumptions	4,191,435	16,586
Changes in proportion and differences between employer contributions and proportionate share of contributions	841,613	629,352
District contributions subsequent to the measurement date	<u>2,481,512</u>	<u>-</u>
Total	<u><u>\$ 11,761,529</u></u>	<u><u>\$ 13,880,779</u></u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,481,512 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	\$ (744,323)
2023	(529,086)
2024	(836,506)
2025	(703,830)
2026	(1,278,017)
Thereafter	(509,000)

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (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:

	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 5.00% 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 RP-2000 Combined Mortality Table projected to 2013 with projection scale BB and set back 1 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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	58.0%	5.4%
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	100.0%	

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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

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

	<u>1% Decrease</u> <u>(7.00%)</u>	<u>Current Discount</u> <u>Rate (8.00%)</u>	<u>1% Increase</u> <u>(9.00%)</u>
TRS			
Districts' net OPEB liability	\$ 29,180,000	\$ 24,144,000	\$ 19,938,000
	<u>1% Decrease</u> <u>(4.34%)</u>	<u>Current Discount</u> <u>Rate (5.34%)</u>	<u>1% Increase</u> <u>(6.34%)</u>
CERS			
Districts' net OPEB liability	\$ 20,144,503	\$ 15,680,238	\$ 12,013,589

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	\$ 19,136,000	\$ 24,144,000	\$ 30,313,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability	\$ 12,140,424	\$ 15,680,238	\$ 19,975,887

OPEB plan fiduciary net position

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

Life Insurance Plan

Plan description

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

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

Contributions

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

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

At June 30, 2021, the Bullitt County Schools 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>585,000</u>
	<u>\$ 585,000</u>

For the year ended June 30, 2020, the District recognized OPEB expense of \$-0- and revenue of \$28,159 for support provided by the State.

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:

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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 8 OPEB PLANS (CONTINUED)

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	100.0%	

* 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

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (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 COMMITMENTS AND CONTINGENCIES

The District receives funding from federal, state, and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. The collectability of any related receivables as of June 30, 2020 may be impaired. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue the programs.

NOTE 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.

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 11 RISK MANAGEMENT

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

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

NOTE 12 DEFICIT OPERATING/FUND BALANCES

The District's Food Service Fund currently has a deficit fund balance of \$5,722,355. The following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Building Fund	\$ 1,108,374
Food Service Fund	1,953,129
School Activity Fund	71,422

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).

BULLITT COUNTY SCHOOL DISTRICT

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

NOTE 14 TRANSFER OF FUNDS

The following transfers were made during the year.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Special Revenue	Technology Match	\$ 243,150
General	Debt Service	Debt Service	818,744
School Activity	Special Revenue	Special Revenue	264,471
School Activity	District Activity	School Activity	310,737
Capital Outlay	General	Cap Funds Request	81,076
Capital Outlay	Debt Service	Debt Service	1,076,788
Building	General	Cap Funds Request	790,299
Building	Construction	Construction	3,495,482
Building	Debt Service	Debt Service	11,913,992
Food Service	General	Indirect Costs	295,164

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2021 total payments of \$33,028,241 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.

Retirement contribution to TRS	\$ 18,460,984
Other post-employment benefits	1,381,536
Health insurance and other payroll-related payments	12,205,109
Technology	209,011
Debt service	771,601
Total On-Behalf	<u>\$ 33,028,241</u>

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

2009, 2010, 2011, 2012, 2012-2nd Series, 2012-3rd Series, 2013, 2014, 2015, 2016, 2017, 2017-Ref,
2018, and 2020 Issues

FISCAL YEAR	BULLITT COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2021-2022	\$ 9,392,157	\$ 4,786,473	\$ 14,178,630	\$ 547,843	\$ 150,222	\$ 698,065	\$ 14,876,695
2022-2023	9,684,134	4,496,401	14,180,535	565,866	137,455	703,321	14,883,856
2023-2024	10,004,905	4,213,390	14,218,295	585,095	124,486	709,581	14,927,876
2024-2025	10,344,381	3,969,635	14,314,016	605,619	112,786	718,405	15,032,421
2025-2026	10,702,858	3,469,775	14,172,633	627,142	103,110	730,252	14,902,885
2026-2027	11,095,118	2,937,746	14,032,864	649,882	92,918	742,800	14,775,664
2027-2028	11,476,080	2,208,776	13,684,856	673,920	82,335	756,255	14,441,111
2028-2029	11,920,899	1,905,771	13,826,670	699,101	71,716	770,817	14,597,487
2029-2030	12,348,836	1,723,249	14,072,085	721,164	60,958	782,122	14,854,207
2030-2031	8,710,559	1,513,006	10,223,565	734,441	50,910	785,351	11,008,916
2031-2032	9,039,777	1,267,667	10,307,444	760,223	41,619	801,842	11,109,286
2032-2033	9,388,109	1,018,839	10,406,948	786,891	32,007	818,898	11,225,846
2033-2034	8,947,646	782,689	9,730,335	722,354	23,167	745,521	10,475,856
2034-2035	5,096,947	564,309	5,661,256	388,053	17,542	405,595	6,066,851
2035-2036	5,292,934	319,649	5,612,583	367,066	13,830	380,896	5,993,479
2036-2037	4,973,791	217,212	5,191,003	246,209	11,451	257,660	5,448,663
2037-2038	5,191,941	136,318	5,328,259	223,059	8,945	232,004	5,560,263
2038-2039	1,241,801	79,817	1,321,618	133,199	6,308	139,507	1,461,125
2039-2040	1,264,111	38,483	1,302,594	135,889	3,617	139,506	1,442,100
2040-2041	1,292,135	12,921	1,305,056	112,865	1,129	113,994	1,419,050
	<u>\$ 157,409,119</u>	<u>\$ 35,662,126</u>	<u>\$ 193,071,245</u>	<u>\$ 10,285,881</u>	<u>\$ 1,146,511</u>	<u>\$ 11,432,392</u>	<u>\$ 204,503,637</u>

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

Governmental Activities	Balance July 1, 2020	Additions	Payments	Balance June 30, 2021
Bond Obligations	<u>\$ 157,135,000</u>	<u>\$ 19,830,000</u>	<u>\$ 9,270,000</u>	<u>\$ 167,695,000</u>
Bond premiums	<u>1,818,134</u>	<u>660,227</u>	<u>229,578</u>	<u>2,248,783</u>
Bond discounts	<u>1,400,260</u>	<u>-</u>	<u>149,670</u>	<u>1,250,590</u>
Capital leases	<u>563,850</u>	<u>-</u>	<u>295,876</u>	<u>267,974</u>
Sick Leave	<u>1,071,208</u>	<u>488,194</u>	<u>340,405</u>	<u>1,218,997</u>
KISBIT	<u>84,862</u>	<u>-</u>	<u>84,862</u>	<u>-</u>

BULLITT COUNTY SCHOOL DISTRICT

Notes to the Financial Statement (Continued)

NOTE 17 TAX ABATEMENTS

The District entered into a property tax abatement agreement with a local distillery. For the fiscal year ended June 30, 2021, the District abated property taxes totaling \$869,744 under the property tax abatement agreement. The distillery has agreed to pay the District in-lieu of payments beginning on January 1, 2018 and continuing annually for so long as the property tax abatement agreement is in place. The amount received during the year ended June 30, 2021 was \$150,000. The distillery will make annual in-lieu of payments as follows:

<u>Year Ending June 30,</u>	
2022	\$150,000
2023	100,000
2024	75,000
2025	<u>75,000</u>
	<u>\$400,000</u>

NOTE 18 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 \$905,386 addition in the beginning net position on the Statement of Activities.

NOTE 19 COVID-19

The COVID-19 outbreak in the United States caused disruption through limited district activities. While the disruption is 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 20 SUBSEQUENT EVENTS

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

SUPPLEMENTARY
INFORMATION

DRAFT 11-7-2021

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Capital Outlay Fund</u>	<u>District Activity Fund</u>	<u>Building Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Total Non-major Government Funds</u>
Assets						
Current:						
Cash and cash equivalents	\$ -	\$ 634,833	2,413,739	\$ 1,726	\$ 835,044	\$ 3,885,342
Accounts receivable	-	-	-	-	404	404
Prepaid expenses			-	721,976		721,976
Total assets	<u>\$ -</u>	<u>\$ 634,833</u>	<u>\$ 2,413,739</u>	<u>\$ 723,702</u>	<u>\$ 835,448</u>	<u>\$ 4,607,722</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	22,334	\$ -	\$ -	1,484	\$ 23,818
Total liabilities	<u>-</u>	<u>22,334</u>	<u>-</u>	<u>-</u>	<u>1,484</u>	<u>23,818</u>
Fund Balances:						
Restricted:						
Capital projects	-	-	2,413,739	-	-	2,413,739
Debt service fund	-	-	-	723,702	-	723,702
Other		612,499	-	-	833,964	1,446,463
Total fund balances	<u>-</u>	<u>612,499</u>	<u>2,413,739</u>	<u>723,702</u>	<u>833,964</u>	<u>4,583,904</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 634,833</u>	<u>\$ 2,413,739</u>	<u>\$ 723,702</u>	<u>\$ 835,448</u>	<u>\$ 4,607,722</u>

BULLITT COUNTY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds
As of June 30, 2021**

	Capital Outlay Fund	District Activity Fund	Building Fund	Debt Service Fund	School Activity Fund	Total Nonmajor Government Funds
Revenues:						
Taxes	\$ -	\$ -	\$ 12,638,484	\$ -	\$ -	\$ 12,638,484
Earnings on investments	-	-	-	-	3,014	3,014
State sources	1,157,863	-	2,452,917	771,602	-	4,382,382
Other sources	-	75,274	-	-	1,502,357	1,577,631
Total revenues	<u>1,157,863</u>	<u>75,274</u>	<u>15,091,401</u>	<u>771,602</u>	<u>1,505,371</u>	<u>18,601,511</u>
Expenditures:						
Instructional	-	207,204	-	-	951,413	1,158,617
Student support services	-	-	-	-	26,117	26,117
Staff support services	-	62,243	-	-	7,323	69,566
Student transportation	-	-	-	-	2,669	2,669
Miscellaneous	-	-	-	-	14,063	14,063
Debt service:						
Principal	-	-	-	9,270,000	-	9,270,000
Interest	-	-	-	5,303,564	-	5,303,564
Total expenditures	<u>-</u>	<u>269,447</u>	<u>-</u>	<u>14,573,564</u>	<u>1,001,585</u>	<u>15,844,596</u>
Excess (deficit) of revenues over expenditures	<u>1,157,863</u>	<u>(194,173)</u>	<u>15,091,401</u>	<u>(13,801,962)</u>	<u>503,786</u>	<u>2,756,915</u>
Other Financing Sources (Uses)						
Operating transfers in	-	310,737	-	13,809,525	-	14,120,262
Operating transfers out	(1,157,863)	-	(16,199,775)	-	(575,208)	(17,932,846)
Total other financing sources(uses)	<u>(1,157,863)</u>	<u>310,737</u>	<u>(16,199,775)</u>	<u>13,809,525</u>	<u>(575,208)</u>	<u>(3,812,584)</u>
Net change in fund balance	-	116,564	(1,108,374)	7,563	(71,422)	(1,055,669)
Fund balance, July 1, 2020	-	495,935	3,522,113	716,139	-	4,734,187
Net position adjustment (Note 18)	-	-	-	-	905,386	905,386
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ 612,499</u>	<u>\$ 2,413,739</u>	<u>\$ 723,702</u>	<u>\$ 833,964</u>	<u>\$ 4,583,904</u>

BULLITT COUNTY 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	\$ 48,467,000	\$ 48,467,000	\$ 49,872,459	\$ 1,405,459
Earnings on investments	75,000	75,000	84,697	9,697
State sources	70,145,437	70,145,437	67,382,932	(2,762,505)
Federal sources	155,000	155,000	213,092	58,092
Other sources	703,000	703,000	1,830,929	1,127,929
Total revenues	<u>119,545,437</u>	<u>119,545,437</u>	<u>119,384,109</u>	<u>(161,328)</u>
Expenditures				
Instructional	80,279,984	80,285,818	75,820,352	4,465,466
Student support services	5,030,761	5,008,869	5,419,836	(410,967)
Staff support services	8,474,587	8,359,142	8,413,915	(54,773)
District administration	2,774,135	2,740,083	2,209,093	530,990
School administration	9,980,972	9,957,007	8,921,169	1,035,838
Business support services	2,654,768	2,609,059	2,212,162	396,897
Plant operation and maintenance	10,573,743	10,301,929	8,399,650	1,902,279
Student transportation	8,593,676	8,433,295	6,159,365	2,273,930
Community service operations	-	-	20,181	(20,181)
Facility acquisition and construction	818,744	818,744	-	818,744
Transfers	243,150	243,150	1,061,894	(818,744)
Contingency	3,370,917	4,038,341	-	4,038,341
Total expenditures	<u>132,795,437</u>	<u>132,795,437</u>	<u>118,637,617</u>	<u>14,157,820</u>
Net change in fund balance	(13,250,000)	(13,250,000)	746,492	13,996,492
Fund balance, July 1, 2020	<u>13,250,000</u>	<u>13,250,000</u>	<u>18,386,942</u>	<u>5,136,942</u>
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,133,434</u>	<u>\$ 19,133,434</u>

BULLITT COUNTY 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				
Taxes	\$ -	\$ -	\$ 118,640	\$ 118,640
Earnings on investments	-	712	3,305	2,593
State sources	3,851,530	6,317,842	6,362,522	44,680
Federal sources	5,744,072	29,538,197	8,672,600	(20,865,597)
Other sources	258,151	537,542	1,162,197	624,655
Total revenues	<u>9,853,753</u>	<u>36,394,293</u>	<u>16,319,264</u>	<u>(20,075,029)</u>
Expenditures				
Instructional	6,166,562	30,575,674	9,787,398	20,788,276
Student support services	374,946	613,151	467,693	145,458
Staff support services	1,321,776	1,282,612	2,482,497	(1,199,885)
District administration	100,752	301,524	202,058	99,466
School administration	176,311	350,193	386,252	(36,059)
Business support services	486,300	487,012	345,834	141,178
Plant operation and maintenance	77,154	1,307,215	1,159,246	147,969
Student transportation	184,395	465,003	238,405	226,598
Food service operation	-	31,003	94,675	(63,672)
Daycare operations	-	11,200	-	11,200
Community service operations	965,557	969,706	1,008,851	(39,145)
Total expenditures	<u>9,853,753</u>	<u>36,394,293</u>	<u>16,172,909</u>	<u>20,221,384</u>
Net change in fund balance	-	-	146,355	146,355
Fund balance, July 1, 2020	-	-	595,759	595,759
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742,114</u>	<u>\$ 742,114</u>

BULLITT COUNTY SCHOOL DISTRICT

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction 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				
Earnings on investments	\$ -	\$ -	39,617	\$ 39,617
Other sources	-	-	23,985,709	23,985,709
Total revenues	-	-	24,025,326	24,025,326
Expenditures				
Facility acquisition and construction	-	-	3,531,704	3,531,704
Total expenditures	-	-	3,531,704	3,531,704
Net change in fund balance	-	-	20,493,622	20,493,622
Fund balance, July 1, 2020	-	-	2,052,208	2,052,208
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,545,830</u>	<u>\$ 22,545,830</u>

BULLITT COUNTY SCHOOL DISTRICT

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

	<u>Issue of 2009</u>	<u>Issue of 2010</u>	<u>Issue of 2011</u>	<u>Issue of 2012</u>	<u>Issue of 2012 - 2nd Series</u>	<u>Issue of 2012 - 3rd Series</u>	<u>Issue of 2013</u>	<u>Issue of 2014</u>
Cash at July 1, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Transfers and miscellaneous deposits	1,083,105	1,109,413	246,463	115,763	826,390	2,539,369	1,460,719	1,998,997
Disbursements:								
Bonds paid	1,065,000	1,030,000	235,000	105,000	595,000	2,315,000	530,000	500,000
Interest coupons	18,105	79,413	11,463	10,763	281,390	224,369	930,719	1,498,997
Total disbursements	1,083,105	1,109,413	246,463	115,763	826,390	2,539,369	1,460,719	1,998,997
Excess of receipts over disbursements	-	-	-	-	-	-	-	-
Cash at June 30, 2021	-	-	-	-	-	-	-	-
Fund Balance at June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	<u>Issue of 2015</u>	<u>Issue of 2016</u>	<u>Issue of 2017 - Ref</u>	<u>Issue of 2017</u>	<u>Issue of 2018</u>	<u>Issue of 2020</u>	<u>Total</u>
Cash at July 1, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Transfers and miscellaneous deposits	1,203,125	532,400	2,178,950	588,944	499,600	190,326	14,573,564
Disbursements:							
Bonds paid	695,000	375,000	1,580,000	65,000	180,000	-	9,270,000
Interest coupons	508,125	157,400	598,950	523,944	319,600	190,326	5,303,564
Total disbursements	1,203,125	532,400	2,178,950	588,944	499,600	190,326	14,573,564
Excess of receipts over disbursements	-	-	-	-	-	-	-
Cash at June 30, 2021	-	-	-	-	-	-	-
Fund Balance at June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2020	Receipts	Disbursements	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Student Groups June 30, 2021
Agriculture Class fee	\$ 51	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ 51
Anatomy & Physics	145	-	145	-	-	-	-
Annual (Yearbook)	8,928	945	-	9,873	-	-	9,873
AP Biology	435	-	435	-	-	-	-
AP English	243	-	243	-	-	-	-
AP Environment	598	-	598	-	-	-	-
Archery	4,445	10,406	13,722	1,129	-	-	1,129
Art	409	-	220	189	-	-	189
Athletic cokes	4,632	7,128	9,649	2,111	-	-	2,111
Athletic Supplies	42	3,540	2,829	753	-	-	753
Athletics	4,579	6,302	8,001	2,880	-	-	2,880
Background check	-	10	10	-	-	-	-
Band	2,328	-	715	1,613	-	-	1,613
Baseball	6,991	15,704	22,695	-	-	-	-
BC Music	1,124	-	-	1,124	-	-	1,124
BCHS School Store	367	-	-	367	-	-	367
Best Buddies	125	-	125	-	-	-	-
BETA	6,615	1,743	1,820	6,538	-	-	6,538
Biology Lab	3,034	-	356	2,678	-	-	2,678
Bowling	68	-	68	-	-	-	-
Boys Basketball	15,209	7,509	22,718	-	-	-	-
Boys Cross Country	17	4,899	4,916	-	-	-	-
Boys Soccer	4,019	3,095	7,114	-	-	-	-
CAN checks	10	-	10	-	-	-	-
Cheerleading	87	5,391	5,180	298	-	-	298
Chemistry (Lab Fee)	3,135	-	531	2,604	-	-	2,604
Choir	913	-	278	635	-	-	635
Cougar Creations (Design)	274	-	-	274	-	-	274
Cross Country Boys/Girls	-	6,324	3,988	2,336	-	-	2,336
Dance	506	-	327	179	-	-	179
District Chromebooks	-	11,025	11,025	-	-	-	-
DistrictToum.Host School	-	4,241	4,241	-	-	-	-
Drama	11,120	-	-	11,120	-	-	11,120
E Sports	160	-	160	-	-	-	-
EMT Program	-	114	114	-	-	-	-
FACS-Food	1,011	85	624	472	-	-	472
FBLA	2,177	-	-	2,177	-	-	2,177
FCCLA	617	-	63	554	-	-	554
FFA	3,463	1,340	1,782	3,021	-	-	3,021
Field Trip (Students)	95	-	-	95	-	-	95
Floral Design	393	-	-	393	-	-	393
Football	6,319	16,742	23,061	-	-	-	-

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance June 30, 2020	Receipts	Disbursements	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
Forensic (Class Lab)	\$ 640	\$ -	\$ 640	\$ -	\$ -	\$ -	\$ -
Fund 22	-	45,306	45,306	-	-	-	-
General	1,186	598	492	1,292	-	-	1,292
Girls Basketball	5,172	9,558	14,730	-	-	-	-
Girls Cross Country	664	-	664	-	-	-	-
Girls Golf Team	265	-	265	-	-	-	-
Girls Soccer	646	1,989	2,635	-	-	-	-
Green House	24,703	20,932	22,244	23,391	-	-	23,391
Guidance	4,465	5,386	7,928	1,923	-	-	1,923
Hall of Fame	2,236	-	-	2,236	-	-	2,236
Health Science Class Fee	5,182	4,357	5,838	3,701	-	-	3,701
Homecoming	15	146	158	3	-	-	3
HOSA	550	-	550	-	-	-	-
ICP2 Class Fee	134	-	134	-	-	-	-
ICPI Class Fee	1,136	-	1,136	-	-	-	-
Junior	11,320	16,650	9,622	18,348	-	-	18,348
KYCID-Student	668	4,834	3,836	1,666	-	-	1,666
Library	1,935	423	-	2,358	-	-	2,358
Math Department (Fees)	1,906	-	-	\$ 1,906	-	-	1,906
National Honor	3,784	1,000	980	3,804	-	-	3,804
Non-student generated	854	1,123	1,718	259	-	-	259
Parking lot	544	3,200	3,744	-	-	-	-
Physics Class Fee	342	-	342	-	-	-	-
Posters	146	-	146	-	-	-	-
Project Lead The Way	1,001	-	33	968	-	-	968
Regional Tournaments	-	8,345	8,345	-	-	-	-
Robotics	1,087	-	-	1,087	-	-	1,087
ROTC	3,756	-	117	3,639	-	-	3,639
ROTC SB	10,510	5,682	4,012	12,180	-	-	12,180
Senior Dues	-	1,370	333	1,037	-	-	1,037
Senior Trip	205	6,360	-	6,565	-	-	6,565
Softball	194	1,845	2,039	-	-	-	-
Spanish Club	10	-	10	-	-	-	-
Special Ed	936	165	-	1,101	-	-	1,101
Tennis Boys/Girls	300	-	80	220	-	-	220
Track	531	1,630	2,161	-	-	-	-
Volleyball	4,548	6,353	10,901	-	-	-	-
Wood Shop	20	-	-	20	-	-	20
Wrestling	29	418	444	3	-	-	3
Total	\$ 186,304	\$ 254,213	\$ 299,346	\$ 141,171	\$ -	\$ -	\$ 141,171

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance	Receipts	Disbursements	Fund Balance	Accounts Receivable	Accounts Payable	Due to Students & Others
	July 1, 2020			June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021
Academic Club	\$ 984	\$ 506	\$ 1,020	\$ 470	\$ -	\$ -	\$ 470
Archery	6,360	3,363	7,247	2,476	-	-	2,476
Art Club	256	-	245	11	-	-	11
Assembly	80	-	80	-	-	-	-
Athletic	8,881	9,485	7,109	11,257	-	-	11,257
Background Check	-	80	80	-	-	-	-
Band	127	722	714	135	-	-	135
Baseball	21,636	67,885	86,878	2,643	-	-	2,643
Basketball-Boys	9,738	33,894	28,650	14,982	-	-	14,982
Basketball-Girls	3,736	39,233	33,752	9,217	-	-	9,217
Bass Fishing	6,111	6,157	10,804	1,464	-	-	1,464
Beta Club	96	4,616	3,989	723	-	-	723
Beta Club Scholarships	74	-	-	74	-	-	74
Bowling	466	-	328	138	-	-	138
Business	88	-	15	73	-	-	73
Charger Camp	983	12,951	4,444	9,490	-	-	9,490
Cheerleaders	1,324	91,114	68,268	24,170	-	-	24,170
Chess Club	270	-	-	270	-	-	270
Chorus	4,946	24	-	4,970	-	-	4,970
Coke	2,047	12	220	1,839	-	-	1,839
Cross Country	21	1,863	934	950	-	-	950
Dist Chromebooks-Repairs	25	1,625	1,650	-	-	-	-
District Chromebooks	149	24,739	24,888	-	-	-	-
District Fund 22	-	34,460	34,460	-	-	-	-
Donations	-	6,587	6,587	-	-	-	-
Drama	1,276	140	458	958	-	-	958
Early Childhood	5	-	-	5	-	-	5
East Area Running Club	-	5,337	3,335	2,002	-	-	2,002
East Region Music Festival	45	-	-	45	-	-	45
Ecology Club	175	169	301	43	-	-	43
Engineering Class	205	-	-	205	-	-	205
English	95	648	430	313	-	-	313
Faculty Lounge	570	355	658	267	-	-	267
Family Consumer Science	20	-	15	5	-	-	5
FBLA Club	1,634	1,846	1,197	2,283	-	-	2,283
FCA Club	956	-	716	240	-	-	240
FCCLA Club	817	-	387	430	-	-	430
FFA Club	-	3,741	2,356	1,385	-	-	1,385
FFA-Greenhouse	7,525	1,632	3,094	6,063	-	-	6,063
Field Trips	72	-	72	-	-	-	-
Financial Services	196	-	-	196	-	-	196
Football	6,049	20,596	19,052	7,593	-	-	7,593

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2020	Receipts	Disbursements	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
General Funds	\$ 7,166	\$ 1,216	\$ 3,035	\$ 5,347	\$ -	\$ -	\$ 5,347
Golf-Boys	984	14,340	11,068	4,256	-	-	4,256
Golf-Girls	-	6,775	6,536	239	-	-	239
Guidance	9,521	23,357	21,580	11,298	-	-	11,298
Halloween in the Halls	2,029	-	-	2,029	-	-	2,029
HAVPA	-	65	65	-	-	-	-
Health Science	357	571	588	340	-	-	340
HOSA	434	-	342	92	-	-	92
Houses - Tharrhountes	77	-	-	77	-	-	77
Houses-Class 2022	43	-	-	43	-	-	43
Houses-Spero	213	-	-	213	-	-	213
Journalism	2,077	3,686	1,555	4,208	-	-	4,208
JR. Class	9,852	10,509	14,103	6,258	-	-	6,258
Law Enforcement	186	48	-	234	-	-	234
Law Enforcement Club	130	-	-	130	-	-	130
Library	288	-	205	83	-	-	83
Marching Band	-	10,200	10,200	-	-	-	-
MSD Class	181	-	-	181	-	-	181
NHS Club	3,514	1,066	3,487	1,093	-	-	1,093
NHS Scholarships	-	301	-	301	-	-	301
Parking Permits	190	6,625	6,815	-	-	-	-
Pictures	1,549	1,450	1,345	1,654	-	-	1,654
Pink Out	175	610	684	101	-	-	101
Project Unify	3,093	-	-	3,093	-	-	3,093
RZR Club	475	-	164	311	-	-	311
Sci-fi Clubs	2,208	-	-	2,208	-	-	2,208
Slam Class	1,793	-	402	1,391	-	-	1,391
Soccer-Boys	878	6,735	2,635	4,978	-	570	4,408
Soccer-Girls	10,110	13,328	7,498	15,940	-	639	15,301
Softball	1,654	14,550	4,300	11,904	-	-	11,904
SR. Class	7,103	5,130	10,866	1,367	-	-	1,367
Start Up Account	-	1,100	1,100	-	-	-	-
Swim Team	-	1,755	50	1,705	-	-	1,705
Tennis-Boys	1,695	180	1,095	780	-	-	780
Tennis-Girls	214	-	159	55	-	-	55
Textbook Fines	-	125	-	125	-	-	125
Track	4,177	7,140	7,505	3,812	-	-	3,812
Volleyball	6,650	17,492	6,452	17,690	-	-	17,690
Wrestling	1,056	1,458	1,138	1,376	-	-	1,376
Yearbook	27,822	13,956	14,165	27,613	-	-	27,613
Total	\$ 195,932	\$ 537,548	\$ 493,570	\$ 239,910	\$ -	\$ 1,209	\$ 238,701

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance July 1, 2020	Receipts	Disbursements	Fund Balance June 30, 2021	Accounts Receivable June 30, 2021	Accounts Payable June 30, 2021	Due to Students & Others June 30, 2021
Academic Team	\$ 1,518	\$ -	\$ -	\$ 1,518	\$ -	\$ -	\$ 1,518
Agriculture department	-	328	-	328	-	-	328
Allied Health	-	1,800	1,800	-	-	-	-
Archery	4,361	2,299	4,389	2,271	-	-	2,271
Art History	926	-	-	926	-	-	926
Athletic Start Up	-	1,000	1,000	-	-	-	-
Athletics	9,811	476	8,857	1,430	-	-	1,430
Background Checks	-	110	110	-	-	-	-
Band/Choir	534	1,225	1,459	300	-	-	300
Baseball	-	10,655	4,335	6,320	-	-	6,320
Basektball (Girls)	1,284	10,335	8,949	2,670	-	-	2,670
Basketball (Boys)	9,929	13,069	16,326	6,672	-	-	6,672
Beta Club	891	235	84	1,042	-	-	1,042
Bowling	38	2,022	2,060	-	-	-	-
Cheerleading	608	31,926	32,534	-	-	-	-
Chess	193	424	474	143	-	-	143
Chromebook Repairs	-	1,134	1,134	-	-	-	-
Chromebooks	-	10,535	10,535	-	-	-	-
Class of 2020	4,153	-	4,153	-	-	-	-
Class of 2021	-	1,961	1,961	-	-	-	-
Class of 2022	-	16,977	10,199	6,778	-	-	6,778
Class of 2023	-	11	-	11	-	-	11
Color Guard/ Drill Team	2,485	1	2,486	-	-	-	-
Counselors	10,167	15,466	16,003	9,630	-	-	9,630
Cross Country	-	440	435	5	-	-	5
Dance	272	-	-	272	-	-	272
Drama Club	1,478	-	-	1,478	-	-	1,478
Educators Rising	696	-	-	696	-	-	696
FBLA: Future Business L	515	67	64	518	-	-	518
FCA	75	-	-	75	-	-	75

BULLITT COUNTY SCHOOL DISTRICT

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

	Fund Balance			Fund Balance	Accounts Receivable	Accounts Payable	Due to Students & Others
	July 1, 2020	Receipts	Disbursements	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021
FFA	\$ 2,393	\$ 2,535	\$ 2,650	\$ 2,278	\$ -	\$ -	\$ 2,278
Football	24	20,161	17,806	2,379	-	-	2,379
Fund 22	-	24,910	24,910	-	-	-	-
General Fund	584	575	871	288	-	-	288
Golf (Boys)	3	900	450	453	-	-	453
Golf (Girls)	413	400	210	603	-	-	603
International Club	271	-	-	271	-	-	271
JROTC	2,230	3,246	2,592	2,884	-	-	2,884
Library	43	25	-	68	-	-	68
Math Department	320	-	-	320	-	-	320
NBHS Family	141	385	341	185	-	-	185
NBHS School Store	2,548	239	-	2,787	-	-	2,787
NHS: National Honor Soc	-	629	629	-	-	-	-
North Area Music	1,274	-	-	1,274	-	-	1,274
PBIS / RTI	1,169	726	760	1,135	-	-	1,135
School Fees	-	3,958	3,958	-	-	-	-
Science Dept	-	15	15	-	-	-	-
Soccer (Boys)	194	4,132	2,762	1,564	-	-	1,564
Soccer (Girls)	3,050	3,586	4,771	1,865	-	-	1,865
Softball	1,869	8,736	2,568	8,037	-	-	8,037
Special Ed Department	308	255	40	523	-	-	523
Swim	7,123	825	3,114	4,834	-	-	4,834
Teacher Fund	653	226	858	21	-	-	21
Tennis (Boys)	881	-	470	411	-	-	411
Tennis (Girls)	548	-	470	78	-	-	78
Track	1,046	350	373	1,023	-	-	1,023
Volleyball	2,940	11,481	9,186	5,235	-	-	5,235
Wrestling	334	425	601	158	-	-	158
Yearbook	12,508	3,318	15,640	186	-	-	186
Youth Service Center	805	5	307	503	-	-	503
Total	\$ 93,606	\$ 214,539	\$ 225,699	\$ 82,446	\$ -	\$ -	\$ 82,446

BULLITT COUNTY SCHOOL DISTRICT

Combining Statement of Receipts, Disbursements and Due to Student/Groups School Activity Funds For the Year Ended June 30, 2021

	Cash Balance 7/1/2020	Receipts	Disbursements	Cash Balance 6/30/2021	Accounts Receivable 6/30/2021	Accounts Payable 6/30/2021	Due To Students & Others 6/30/2021
Bernheim Middle	\$ 44,250	\$ 27,150	\$ 35,835	\$ 35,565	\$ -	\$ -	\$ 35,565
Brooks Elementary	3,220	33,594	30,647	6,167	-	-	6,167
Bullitt Central High	186,305	254,213	299,346	141,172	-	-	141,172
Bullitt East High	195,932	537,548	493,570	239,910	-	1,209	238,701
Bullitt Lick Middle	34,624	24,086	25,270	33,440	-	-	33,440
Cedar Grove Elementary	27,859	34,250	50,031	12,078	-	-	12,078
Crossroads Elementary	13,177	18,607	19,537	12,247	-	-	12,247
Eastside Middle	35,834	162,743	175,337	23,240	-	-	23,240
Freedom Elementary	5,760	17,648	17,181	6,227	-	-	6,227
Hebron Middle	45,404	27,995	33,012	40,387	-	-	40,387
Lebanon Junction Elementary	5,395	20,451	25,058	788	-	-	788
Maryville Elementary	4,614	20,448	20,505	4,557	-	245	4,312
Mt. Washington Elementary	5,064	38,534	40,971	2,627	-	-	2,627
Mt. Washington Middle	64,332	38,355	35,210	67,477	-	-	67,477
Nichols Elementary	3,125	3,527	4,309	2,343	-	25	2,318
North Bullitt High	93,605	214,539	225,699	82,445	-	-	82,445
Old Mill Elementary	30,965	30,320	32,070	29,215	-	-	29,215
Overdale Elementary	21,123	29,278	29,138	21,263	-	-	21,263
Pleasant Grove Elementary	24,094	30,886	42,979	12,001	-	-	12,001
Riverview Opportunity Center	8,499	4,246	4,574	8,171	-	-	8,171
Roby Elementary	15,492	19,066	15,209	19,349	-	-	19,349
Shepherdsville Elementary	12,729	27,017	27,151	12,595	404	-	12,999
Zoneton Middle	23,989	31,632	33,841	21,780	-	-	21,780
Total	\$ 905,391	\$ 1,646,133	\$ 1,716,480	\$ 835,044	\$ 404	\$ 1,479	\$ 833,969

BULLITT COUNTY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the 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	1.7996%	1.8164%	1.8166%	1.8118%	1.7943%	1.7659%	1.6747%	*	*	*
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*
State's proportionate share of the net pension liability associated with the District	255,049,121	247,824,359	273,873,661	488,866,344	529,331,646	410,921,649	344,145,200	*	*	*
Total	\$255,049,121	\$247,824,359	\$273,873,661	\$488,866,344	\$529,331,646	\$410,921,649	\$344,145,200	*	*	*
District's covered-employee payroll	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	\$ 55,892,348	\$ 55,245,952	\$ 53,215,974	\$ 51,117,804	*	*	*
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%	58.80%	59.30%	59.80%	35.20%	42.50%	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 5.20% to 4.49%

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

BULLITT COUNTY SCHOOL DISTRICT
Schedule of District Contributions – TRS

	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	\$61,834,583	\$57,651,628	\$56,813,419	\$56,459,099	\$55,892,348	\$55,245,952	\$53,215,974	\$51,117,804	*	*
Contributions as a percentage of of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*

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

BULLITT COUNTY SCHOOL DISTRICT

Schedule of the 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	0.649098%	0.643428%	0.639520%	0.648925%	0.663291%	0.650633%	0.635878%	*	*	*
District's proportionate share of the net pension liability	\$ 49,785,279	\$ 45,252,578	\$ 38,792,318	\$ 37,983,575	\$ 32,657,910	\$ 27,974,140	\$20,630,000	*	*	*
Total net pension liability								*	*	*
District's covered-employee payroll	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	\$ 15,956,427	\$ 15,919,816	\$ 15,235,820	\$14,728,096	*	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	294.70%	274.91%	242.85%	238.05%	205.14%	183.61%	140.07%	*	*	*
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:

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

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

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

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

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

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

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

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

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

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

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

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

BULLITT COUNTY SCHOOL DISTRICT
Schedule of District Contributions – CERS

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 4,007,953	\$ 3,260,509	\$ 2,669,983	\$ 2,312,994	\$ 2,225,922	\$ 1,977,241	\$ 1,942,567	*	*	*
Contributions in relation to the contractually required contribution	<u>(4,007,953)</u>	<u>(3,260,509)</u>	<u>(2,669,983)</u>	<u>(2,312,994)</u>	<u>(2,225,922)</u>	<u>(1,977,241)</u>	<u>(1,942,567)</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	\$16,658,153	\$16,893,827	\$16,461,052	\$15,973,712	\$15,956,427	\$15,919,816	\$15,235,820	\$14,728,096	*	*
Contributions as a percentage of of covered-employee payroll	24.06%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%	*	*	*

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

BULLITT COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	1.684818%	1.697436%	1.694128%	1.687090%	*	*	*	*	*	*
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	\$ 585,000	\$ 527,000	\$ 478,000	\$ 370,000	*	*	*	*	*	*
Total net OPEB liability	\$ 585,000	\$ 527,000	\$ 478,000	\$ 370,000	*	*	*	*	*	*
District's covered-employee payroll	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	\$ 55,892,348	*	*	*	*	*	*
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%	75.00%	80.00%	*	*	*	*	*	*

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

Changes of benefit terms - None.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 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% - 7.45%
Discount rate	7.50%

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

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ -	\$ -	\$ -	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	*	*	*	*	*	*	*
Contribution deficiency	-	-	-	*	*	*	*	*	*	*
District's covered-employee payroll	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	56,459,099	55,892,348	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*	*	*

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

BULLITT COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the collective trust OPEB liability	1.722982%	1.736294%	1.733648%	0.172637%	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 24,144,000	\$ 28,114,000	\$ 32,309,000	\$33,882,000	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 19,340,000	\$ 22,704,000	\$ 27,844,000	\$27,677,000	*	*	*	*	*	*
Total net OPEB liability	\$ 43,484,000	\$ 50,818,000	\$ 60,153,000	\$61,559,000	*	*	*	*	*	*
District's covered-employee payroll	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	\$55,892,348	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	41.9%	49.5%	57.2%	60.6%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	39.05%	32.60%	25.50%	21.20%	*	*	*	*	*	*

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

Changes 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	6.49% 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).

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,689,528	\$ 1,729,549	\$ 1,704,403	\$ 1,668,900	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(1,689,528)</u>	<u>(1,729,549)</u>	<u>(1,704,403)</u>	<u>(1,668,900)</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	\$61,834,583	\$57,651,628	\$56,813,419	\$56,459,099	\$55,892,348	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	2.73%	3.00%	3.00%	2.96%	*	*	*	*	*	*

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

Changes of benefit terms - None

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	6.49% 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).

BULLITT COUNTY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – 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	0.649367%	0.643261%	0.636927%	0.648925%	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$15,680,238	\$10,819,360	\$11,308,512	\$13,045,612	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
Total net OPEB liability	\$15,680,238	\$10,819,360	\$11,308,512	\$13,045,612	*	*	*	*	*	*
District's covered-employee payroll	\$16,893,827	\$16,461,052	\$15,973,712	\$15,956,427	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	92.8%	65.7%	70.8%	81.8%	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	51.67%	60.44%	57.62%	52.39%	*	*	*	*	*	*

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

Changes in assumptions: None

2018: Updated health care trend rates were implemented.

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 791,984	\$ 804,146	\$ 865,851	\$ 750,765	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	(791,984)	(804,146)	(865,851)	(750,765)	*	*	*	*	*	*
Contribution deficiency	-	-	-	-	*	*	*	*	*	*
District's covered-employee payroll	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	\$ 15,956,427	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	4.75%	4.76%	5.26%	4.70%	*	*	*	*	*	*

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

BULLITT COUNTY SCHOOL DISTRICT

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Agreement Number	Federal Expenditures for FYE June 30, 2021
<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 18	\$ 3,701
Special Education_ Grants to States	84.027	3810002 19	365,475
Special Education_ Grants to States	84.027	3810002 20	2,261,771
Special Education_Preschool Grants	84.173	3800002 20	84,608
Total Special Education Cluster			<u>2,715,555</u>
Title I Grants to Local Educational Agencies	84.010	3100002 17	170,964
Title I Grants to Local Educational Agencies	84.010A	3100002 18	14,211
Title I Grants to Local Educational Agencies	84.010A	3100002 19	335,526
Title I Grants to Local Educational Agencies	84.010A	3100002 20	1,637,999
Total CFDA #84.010			<u>2,158,700</u>
Title I State Agency Program for Neglected and Delinquent Children	84.013	N&D - 19	661
Title I State Agency Program for Neglected and Delinquent Children	84.013	N&D - 20	6,294
Total CFDA #84.013			<u>6,955</u>
Career and technical Education -Basic Grants to States	84.048	3710002 18	392
Career and technical Education -Basic Grants to States	84.048	3710002 19	6,689
Career and technical Education -Basic Grants to States	84.048	3710002 20	80,838
Total CFDA #84.048			<u>87,527</u>
Education for Homeless Children and Youth	84.196	3990002-19	30,349
Education for Homeless Children and Youth	84.196	3990002-20	69,320
Total CFDA #84.196			<u>99,669</u>
Twenty-First Century Community Learning Centers	84.287	3400002-18	37,887
Twenty-First Century Community Learning Centers	84.287	3400002-19	41,257
Total CFDA #84.287			<u>79,144</u>
English Language Acquisition State Grants	84.365	3300002 20	18,745
Title II Improving Teacher Quality State Grants	84.367	3230002 19	87,798
Title II Improving Teacher Quality State Grants	84.367	3230002 20	301,985
Total CFDA #84.367			<u>389,783</u>
Student Support and Academic Enrichment	84.424A	3420002-18	3,733
Student Support and Academic Enrichment	84.424A	3420002-19	71,221
Student Support and Academic Enrichment	84.424A	3420002-20	197,144
Total CFDA #84.424A			<u>272,098</u>
COVID-19 Governor's Emergency Education Relief Fund	84.425C	CARE-20	245,385
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4000003-20	15,747
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	4000002-20	1,525,934
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	4300002-21	111,298
Total CFDA #84.425			<u>1,898,364</u>
Total U.S. Department of Education			<u>7,726,540</u>

BULLITT COUNTY 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
<u>U.S. Department of Health and Human Services</u>			
<i>Direct Federal Award</i>			
Drug-Free Communities Support Program Grants	93.276	Direct-20	24,294
Drug-Free Communities Support Program Grants	93.276	Direct-21	106,852
Total CFDA #93.276			131,146
<i>Passed through Kentucky Department of Education</i>			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Not available	362,131
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Not available	117,356
Total CFDA #93.243			479,487
Total U.S. Department of Health and Human Services			610,633
<u>U.S. Department of the Treasury</u>			
<i>Passed through Kentucky Department of Education</i>			
Coronavirus Relief Fund - Last Mile Internet	21.019	CARES-20	32,697
Coronavirus Relief Fund	21.019	Not available	2,138,986
Total CFDA #21.019			2,171,683
Total U.S. Department of the Treasury			2,171,683
<u>U.S. Department of Defense</u>			
<i>Direct Award</i>			
National Guard Challenge Program	12.357	Not available	176,044
Total U.S. Department of Defense			176,044
<u>U.S. Environmental Protection Agency</u>			
<i>Passed through Kentucky Department of Education</i>			
Diesel Emission Reduction Act	12.357	Not available	99,303
Total U.S. Environmental Protection Agency			99,303
<u>U.S. Department of Agriculture</u>			
<i>Child Nutrition Cluster</i>			
<i>Passed through Kentucky Department of Education</i>			
Summer Food Service Program for Children	10.559	7690024 20	59,669
Summer Food Service Program for Children	10.559	7690024 21	305,436
Summer Food Service Program for Children	10.559	7740023 20	586,480
Summer Food Service Program for Children	10.559	7740023 21	3,764,119
			4,715,704
<i>Passed through Kentucky Department of Agriculture</i>			
National School Lunch Program - Food Donation	10.555	Not available	216,441
Total Child Nutrition Cluster			4,932,145
<i>Passed through Kentucky Department of Education</i>			
Child and Adult Care Food Program	10.558	7790021 21	660
Child Nutrition Discretionary Grants Limited Availability	10.579	7840027 19	27,003
Total U.S. Department of Agriculture			4,959,808
Total Expenditures of Federal Awards			\$ 15,468,664

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2021, the District reported food commodities expended in the amount of \$216,441.

NOTE 4 INDIRECT COST RATE

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

NOTE 5 SUBRECIPIENTS

The District did not have any subrecipients during the year ended June 30, 2021.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bullitt County School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Bullitt County School District's basic financial statements, and have issued our report thereon dated **DATE**, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted other matters that we reported to management of the District on pages 79 to 84.

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

Purpose of this Report

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

Crestview Hills, Kentucky
DATE, 2021

DRAFT 11-7-2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Bullitt County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bullitt County School District's major federal programs for the year ended June 30, 2021. Bullitt County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bullitt County School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bullitt County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Bullitt County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Bullitt County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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

Report on Internal Control Over Compliance

Management of Bullitt County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bullitt County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bullitt County School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Crestview Hills, Kentucky

DATE, 2021

BULLITT COUNTY 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
21.019	Coronavirus Relief Fund
84.027/84.173	Special Education Cluster
84.425C/84.425D/84.425U	Education Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

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

SECTION I – SUMMARY OF PRIOR YEAR AUDITOR’S RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

DRAFT 11-7-2021

BULLITT COUNTY SCHOOL DISTRICT

Management Letter Comments Year Ended June 30, 2021

In planning and performing our audit of the financial statements of Bullitt County 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 Bullitt County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Bullitt Central High School

No matters are reportable

Bullitt East High School

No matters are reportable

North Bullitt High School

No matters are reportable

Bernheim Middle School

No matters are reportable

Bullitt Lick Middle School

No matters are reportable

Eastside Middle School

No matters are reportable

Hebron Middle School

No matters are reportable

Mt. Washington Middle School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

Management Letter Comments
Year Ended June 30, 2021

CURRENT YEAR RECOMMENDATIONS (Continued)

Zoneton Middle School

No matters are reportable

Brooks Elementary School

No matters are reportable

Cedar Grove Elementary School

No matters are reportable

Crossroads Elementary School

No matters are reportable

Freedom Elementary School

No matters are reportable

Lebanon Junction Elementary School

No matters are reportable

Maryville Elementary School

No matters are reportable

Mt. Washington Elementary School

No matters are reportable

Nichols Elementary School

No matters are reportable

Old Mill Elementary School

No matters are reportable

Overdale Elementary School

No matters are reportable

Pleasant Grove Elementary School

No matters are reportable

Roby Elementary School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

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

CURRENT YEAR RECOMMENDATIONS (Continued)

Shepherdsville Elementary School

No matters are reportable

Riverview Opportunity Center

No matters are reportable

DRAFT 11-7-2021

BULLITT COUNTY SCHOOL DISTRICT

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

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Bullitt Central High School

Statement of prior year deficiency: Accounts payable recorded were not for invoices received before fiscal year end.

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

Statement of prior year deficiency: A deposit in excess of \$100 was not made the same day.

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

Bullitt East High School

No matters are reportable

North Bullitt High School

No matters are reportable

Bernheim Middle School

No matters are reportable

Bullitt Lick Middle School

No matters are reportable

Eastside Middle School

No matters are reportable

Hebron Middle School

No matters are reportable

Mt. Washington Middle School

No matters are reportable

Zoneton Middle School

No matters are reportable

Brooks Elementary School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

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

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Cedar Grove Elementary School

No matters are reportable

Crossroads Elementary School

No matters are reportable

Freedom Elementary School

Statement of prior year deficiency: There was a negative fund balance at year end.

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

Lebanon Junction Elementary School

Statement of prior year deficiency: A purchase order forms were approved subsequent to the invoice of an expenditure.

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

Maryville Elementary School

No matters are reportable

Mt. Washington Elementary School

No matters are reportable

Nichols Elementary School

Statement of prior year deficiency: Nichols PTA did not submit annual documentation for fiscal year 2019-2020.

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

Statement of prior year deficiency: Fundraiser Approval forms did not indicate the funds holding the fundraiser.

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

Statement of prior year deficiency: Fundraiser Summary sheets on file for 2019-2020 fiscal year did not identify if items sold were purchased, donated or both.

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

Statement of prior year deficiency: Multiple Receipt Form was used to document bookfair sales when Sales Collection Form should be used.

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

Old Mill Elementary School

No matters are reportable

BULLITT COUNTY SCHOOL DISTRICT

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

STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)

Overdale Elementary School

No matters are reportable

Pleasant Grove Elementary School

No matters are reportable

Roby Elementary School

No matters are reportable

Shepherdsville Elementary School

No matters are reportable

Riverview Opportunity Center

Statement of prior year deficiency: A purchase order forms were approved subsequent to the invoice of an expenditure.

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

DRAFT 11-17-2021