

**BEECHWOOD INDEPENDENT
SCHOOL DISTRICT**

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025
with
REPORT OF INDEPENDENT AUDITORS**

TABLE OF CONTENTS

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	14
Statement of Net Position – Proprietary Funds	15
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	16
Statement of Cash Flows – Proprietary Funds	17
Notes to the Basic Financial Statements	18
Required Supplementary Information	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	49
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund	50
Notes to Required Supplementary Information – Budget and Actual – General Fund and Special Revenue Fund	51
Schedule of the District's Proportionate Share of Net Pension Liability (Asset) – County Employees Retirement System	52
Schedule of District Contributions – County Employees Retirement System	53

Notes to Required Supplementary Information – County Employees Retirement System – Pension Fund.....	54
Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) – County Employees Retirement System – Medical Insurance Plan	55
Schedule of District Contributions – County Employees Retirement System – Medical Insurance Plan	56
Notes to Required Supplementary Information – County Employees Retirement System – Insurance Fund.....	57
Schedule of the State's Proportionate Share of Net Pension Liability (Asset) – Kentucky Teachers' Retirement System	58
Schedule of State Contributions – Kentucky Teachers' Retirement System	59
Notes to Required Supplementary Information – Kentucky Teachers' Retirement System	60
Schedule of the District's Proportionate Share of Net OPEB Liability (Asset) – Kentucky Teachers' Retirement System – Medical Insurance Plan	61
Schedule of District's Contributions – Kentucky Teachers' Retirement System – Medical Insurance Plan	62
Notes to Required Supplementary Information – Kentucky Teachers' Retirement System – Medical Insurance Fund	63
Schedule of the State's Proportionate Share of Net OPEB Liability (Asset) – Kentucky Teachers' Retirement System – Life Insurance Plan	64
Schedule of State Contributions – Kentucky Teachers' Retirement System – Life Insurance Plan	65
Notes to Required Supplementary Information – Kentucky Teachers' Retirement System – Life Insurance Fund	66

Other Supplementary Information

Combining Balance Sheet – Non-major Governmental Funds	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	68
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Elementary and Middle School Activity Funds	69
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – High School Activity Funds	70
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72
Independent Auditors' Transmittal Letter for Management Letter Comments	75
Management Letter Comments	76



Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for
School District Audits
Members of the Board of Education
Beechwood Independent School District
Fort Mitchell, Kentucky

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our



opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract* be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic

financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Cloyd & Associates, PSC

Cloyd & Associates, PSC

London, Kentucky
October 16, 2025

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025

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

This Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued June 1999; GASB Statement No. 37, Basic Financial Statement - and Management Discussion and Analysis - for State and Local Governments: Omnibus, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001; and in GASB Statement No. 38, Certain Financial Statement Note Disclosures, issued in 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- Beechwood Independent Schools served 1,581 enrolled students in a unique preK-12 public school district located in Ft. Mitchell, Kentucky. Throughout history, Beechwood schools have been noted for their sense of tradition and academic excellence.
- During the 2025 school year, the district continued the second phase of a major construction project. The first phase consisted of the addition of a new twelve room classroom building to accommodate future renovations and reconstruction of existing space to provide office space, classrooms, and auditorium.
- The second phase of the construction project will reconstruct approximately 40% existing space to provide innovative classrooms, auditorium and office space, locker rooms and plaza entrance to the field. This project is expected to be completed during the 2026 school year.
- The General Fund had \$16,260,259 in revenue, which primarily consisted of local real estate and property taxes, the state program (SEEK), on-behalf payments, local out-of-district tuition, utilities, and motor vehicle taxes. General Fund expenditures were \$15,641,323, excluding inter-fund transfers.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

The government-wide financial statements outline functions of the District that are primarily supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services. Fixed asset acquisitions and related debt are also supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on the table of contents of this report.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
YEAR ENDED JUNE 30, 2025

Fund financial statement. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. There is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary, and fiduciary funds.

Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The proprietary funds are our food service. All other activities of the District are included in the governmental funds. The basic governmental fund financial statements can be found on the table of contents of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The financial statements can be found on the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$19.1 million as of June 30, 2025.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets. The table below provides a summary of the District's net position for 2025 compared to 2024.

Net Position for the period ending June 30, 2025

Fiscal year 2025 government-wide net position compared to 2024 is as follows:

	2025	2024
Current and other assets	\$ 14,595,185	\$ 22,612,639
Capital assets	63,309,061	55,844,108
Total Assets	\$ 77,904,246	\$ 78,456,747
Deferred outflow of resources	\$ 2,240,608	\$ 2,923,819
Current liabilities	\$ 7,508,041	\$ 4,801,721
Noncurrent liabilities	50,327,930	56,418,058
Total Liabilities	\$ 57,835,971	\$ 61,219,779
Deferred inflow of resources	\$ 3,176,210	\$ 3,854,423
Net investment in capital assets	\$ 12,700,910	\$ 3,659,055
Restricted net position	3,841,228	10,979,289
Unrestricted net position	2,590,534	1,668,020
Total Net Position	\$ 19,132,672	\$ 16,306,364

A large portion of the District's net position reflects its net investment in capital assets (e.g. land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress). The District uses these capital assets to provide services to its students; consequently, the assets are not available for future spending.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
YEAR ENDED JUNE 30, 2025

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted category of the District's net position represents resources that are subject to external restrictions on how they may be used. Restricted assets are mostly composed of remaining funds held for grant funding and construction purposes.

Total assets decreased by \$552,501 due to the decrease in cash of about \$7.7 million which was offset by the increase in Capital Assets related to the Construction in Progress of about \$8.4 million.

Total liabilities decreased by \$3,383,807. Most of the decrease in liabilities is due to the pay down in payables, debt, and lease liabilities.

Net position increased by \$2,826,308 during the year ended June 30, 2025.

The following table presents a summary of revenue and expense for the fiscal years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Revenues and other financing sources		
Local revenue sources	11,258,046	11,109,370
State revenue sources	11,362,056	10,605,292
Federal revenue	1,063,593	1,263,732
Total Revenue	<u>\$ 23,683,695</u>	<u>\$ 22,978,394</u>
Expenditures and other financing uses		
Instruction	\$ 11,579,079	\$ 11,122,543
Student support services	1,229,550	1,074,556
Instructional support	453,803	412,297
District administration	1,097,414	832,673
School administration	989,047	928,723
Business operations	643,844	618,260
Plant operation and maintenance	1,683,615	1,799,434
Student transportation	93,729	114,247
Building acquisition and construction	8,366,310	13,161,323
Community services	-	-
Other instructional	19,586	29,538
Debt service	3,510,338	3,510,063
Total expenditures	<u>29,666,315</u>	<u>33,603,657</u>
Excess revenues (expenditures)	<u>\$ (5,982,620)</u>	<u>\$ (10,625,263)</u>
Other financing sources (uses)		
Proceeds of bonds	\$ -	\$ -
Proceeds from disposal of assets	1,000	11,831
Transfers in	3,612,907	3,833,565
Transfers out	(3,712,907)	(3,920,565)
Total other financing sources (uses)	<u>\$ (99,000)</u>	<u>\$ (75,169)</u>
Net change in fund balance	<u>\$ (6,081,620)</u>	<u>\$ (10,700,432)</u>

On-behalf payments are included in the above amounts. On-behalf, as defined by the KDE, are payments the state makes on behalf of employees to the various agencies for health and life insurance, retirement, and administration fees.

Financial Analysis of the District's Major Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on the near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

General Fund: The general fund is the primary operating fund of the District. It is used to account for all financial transactions except those required to be accounted for in another fund. During the year ended June 30, 2025, the general fund had \$16,260,259 in revenue and \$15,641,323 in expenses before transfers to other funds.

District Activity Fund: The District Activity Fund is used to account for the co-curricular activities that are not raised and expended by student groups. During the year ended June 30, 2025, the district activity fund had \$277,064 in revenue and \$117,968 in expenses before transfers from other funds. The expense was spent on the annual student workstations refresh and the lower field turf replacement.

Building Fund: The Building Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. During the year ended June 30, 2025, the building fund had revenue of \$3,625,385 and expenses of \$-0- before transfers to other funds. This fund supports the debt repayment of bonds issued for major improvements and investment in the school building and site.

Construction Fund: The construction fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. During the year ended June 30, 2025, the construction fund had revenue of \$352,051 and expenses of \$8,366,310 before transfers from the building fund and fund balance of bond proceeds held for construction costs. All the revenue for the year ending June 20, 2025, was due to investment earnings on bond proceeds. We have experienced higher than normal earnings due to increased interest rates over the past eighteen months.

Debt Service Funds: 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. The fund balance of \$4,859,942 represents funds accumulated which are being held for debt service payment of \$7,560,000 due in 2030.

General Fund Budgetary Highlights

- The district's total general fund revenues for the fiscal year ended June 30, 2025, excluding inter-fund transfers, were \$16,260,259. This is 4% increase than FY 2024 due to increases in property taxes and tuition. Other state funding areas reduced year-over-year, mostly in the on-behalf payments related to benefits.
- General fund revenue was less than budget by \$271,307 or 1.6%. The decrease is mostly due to the on behalf payments from the State of Kentucky which were decreased by \$900,000. The decrease was offset by the district experiencing better investment earnings than budgeted due to the current interest rate environment and healthy cash balances. We also experienced better collection on motor vehicle and utility taxes, as well as additional tuition students enrolled for the year.
- The total cost of all programs and services, excluding inter-fund transfers, in the General Fund, was \$15,641,323. This is 7% more than FY 2024 due to an increase in salaries for instruction, student support services and instructional support staff by approximately \$640,000. The remaining increase was due to other items increasing by approximately \$250,000

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
YEAR ENDED JUNE 30, 2025

- General Fund expenses are less than budget by \$3,455,920 or 22.1%. The decrease is due primarily to decreases in personnel services salaries and on behalf payments from the State of Kentucky of \$2,325,035 compared to budget.
- The district recorded On-Behalf payments as revenues and expenditures during the fiscal year. The On-Behalf revenues and expenditure were included in the financial statements.

Capital Assets

At the end of fiscal year 2025, the district had a total of approximately \$63.309 million in capital assets net of accumulated depreciation, including \$62.9 million in governmental activities and \$361,073 for business type activities. Current year capital asset additions totaled approximately \$8.59 million and most of the additions are related to the construction in progress due to completion of phase one and progress on phase two of the construction. The project is expected to be completed by the fiscal year 2026.

Debt Administration

On June 30, 2025, the district had approximately \$50.8 million in outstanding bonds, excluding premiums and discounts. Payments of \$1,520,000 were made in accordance with normal payment schedules. Further information on the district's long-term debt can be found in Note 4 of the financial statements.

Additionally, the District has long-term obligations for compensated absences in the amount of \$1,014,324. outstanding at the end of the current fiscal year.

Economic Factors and Next Year's Budgets and Rates

The following factors may affect the district's financial position in the upcoming fiscal year.

- The Board approved a 4% increase in the tax rate for the 2025-2026 year. The rate is 82.5 per \$10,000 of assessed real property value and 91.40 per \$10,000 of assessed Tangible/personal property value.
- Due to new budget regulations, the district may be eligible for an additional property value growth assessment depending upon availability of funds. The amount and timing is uncertain and not budgeted due to this uncertainty.
- The Board approved a Step plus 2% salary increase for salaried staff and a \$1 per hour increase for most hourly staff.
- By law, the budget must have a minimum 2% contingency. The Board adopted a budget for 2025-2026 with \$1,480,000 in contingency (10%).
- The large-scale renovation project at the district is progressing and expected to be complete during the fiscal year 2027. The project consists of renovation of existing space to include additional innovative instructional spaces, auditorium, and office space.

Contacting the District's Financial Management

Questions regarding this report should be directed to the Superintendent, Justin Kaiser (859) 331-3250 or to Kristi Ward, Director of Finance (859) 331-3250 or by mail at 50 Beechwood Road, Fort Mitchell, KY 41017

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,131,574	\$ 94,116	\$ 14,225,690
Accounts receivable:			
Taxes	111,212	-	111,212
Other	87,016	-	87,016
Prepaid expenditures	75,071	-	75,071
Inventories	-	17,954	17,954
Net OPEB asset - CERS	68,164	10,078	78,242
Capital Assets, net			
Nondepreciable	38,089,526	-	38,089,526
Depreciable	24,858,462	361,073	25,219,535
Total assets	77,421,025	483,221	77,904,246
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows from refunding bonds	47,728	-	47,728
Deferred outflows - CERS OPEB	165,326	24,442	189,768
Deferred outflows - KTRS OPEB	1,400,427	-	1,400,427
Deferred outflows - PENSION	525,031	77,654	602,685
	<u>2,138,512</u>	<u>102,096</u>	<u>2,240,608</u>
Total assets and deferred outflows of resources	\$ 79,559,537	\$ 585,317	\$ 80,144,854
LIABILITIES			
Accounts payable	\$ 223,181	\$ -	\$ 223,181
Accrued expenses	887	-	887
Advance tuition paid	65,250	-	65,250
Advances from grantors	244,340	-	244,340
Current maturities of bond obligations	1,415,324	-	1,415,324
Compensated absences, current portion	53,043	-	53,043
Current portion of lease liability	11,322	-	11,322
Interest payable	592,320	-	592,320
Net OPEB liability - KTRS	2,200,000	-	2,200,000
Net pension liability - CERS	2,354,182	348,192	2,702,374
Noncurrent maturities of lease liabilities	30,864	-	30,864
Noncurrent maturities of bond obligations, net	49,282,742	-	49,282,742
Compensated absences, net of current portion	1,014,324	-	1,014,324
Total liabilities	57,487,779	348,192	57,835,971
DEFERRED INFLOW OF RESOURCES			
Deferred inflows - CERS OPEB	765,591	113,187	878,778
Deferred inflows - KTRS OPEB	1,717,000	-	1,717,000
Deferred inflows - PENSION	505,645	74,787	580,432
Total deferred inflow of resources	2,988,236	187,974	3,176,210
Total Liabilities and deferred inflows of resources	60,476,015	536,166	61,012,181
NET POSITION			
Net investment in capital assets	12,339,836	361,073	12,700,909
Restricted for:			
Capital expenditures	2,518,555	-	2,518,555
Other	1,634,595	(311,922)	1,322,673
Unrestricted	2,590,536	-	2,590,536
Total net position	19,083,522	49,151	19,132,673
Total liabilities and net position	\$ 79,559,537	\$ 585,317	\$ 80,144,854

BEECHWOOD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

FUNCTIONS/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							
Instruction	\$ 11,169,510	\$ -	\$ 3,193,156	\$ -	\$ (7,976,354)	\$ -	\$ (7,976,354)
Student	1,378,650	-	394,131	-	(984,519)	-	(984,519)
Instructional support	468,843	-	134,034	-	(334,809)	-	(334,809)
District administration	1,097,414	-	313,730	-	(783,684)	-	(783,684)
School administration	1,124,328	-	321,425	-	(802,903)	-	(802,903)
Business support	643,844	-	184,063	-	(459,781)	-	(459,781)
Plant operations and maintenance	1,987,574	-	568,210	-	(1,419,364)	-	(1,419,364)
Student transportation	115,054	-	32,892	-	(82,162)	-	(82,162)
Other instructional	19,587	-	5,600	-	(13,987)	-	(13,987)
Interest on long-term debt	1,968,186	-	-	2,645,439	677,253	-	677,253
Total governmental activities	19,972,990	-	5,147,241	2,645,439	(12,180,310)	-	(12,180,310)
Business-type activities							
Food service	889,364	750,949	56,394	-	-	(82,021)	(82,021)
Total business-type activities	889,364	750,949	56,394	-	-	(82,021)	(82,021)
Total primary government	\$ 20,862,354	\$ 750,949	\$ 5,203,635	\$ 2,645,439	(12,180,310)	(82,021)	(12,262,331)
General revenues							
Taxes:							
Property 7,330,158 - 7,330,158							
Motor vehicle 521,939 - 521,939							
Utility 583,322 - 583,322							
Earnings on investments 801,690 6,787 808,477							
State grants 4,632,972 - 4,632,972							
Other local amounts 2,020,935 - 2,020,935							
Gain/(loss) on disposal of assets 1,000 - 1,000							
Transfers (100,000) 100,000 -							
Total general revenues 15,792,016 106,787 15,898,803							
Change in net position 3,611,706 24,766 3,636,472							
Restated net position July 1, 2024 15,471,815 24,385 15,496,200							
Net position as of June 30, 2025 \$ 19,083,521 \$ 49,151 \$ 19,132,672							

The accompanying notes are an integral part of these financial statements.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Funds	Construction Fund	Facility Support Program (FSPK) Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,675,292	\$ 153,688	\$ 2,337,635	\$ 1,452,998	\$ 4,894,049	\$ 2,617,862	\$ 14,131,524
Cash-gaming	-	50	-	-	-	-	50
Accounts receivable:							
Taxes	111,212	-	-	-	-	-	111,212
Other	-	86,336	-	-	-	680	87,016
Interfund receivable	-	-	-	-	-	-	-
Prepaid expenditures	75,071	-	-	-	-	-	75,071
Total assets	\$ 2,861,575	\$ 240,074	\$ 2,337,635	\$ 1,452,998	\$ 4,894,049	\$ 2,618,542	\$ 14,404,873
LIABILITIES AND FUND BALANCES							
Liabilities							
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	103,970	4,652	114,559	-	-	-	223,181
Accrued expenses	887	-	-	-	-	-	887
Advance tuition paid	65,250	-	-	-	-	-	65,250
Advances from grantors	-	106,868	-	-	34,107	103,365	244,340
Total liabilities	170,107	111,520	114,559	-	34,107	103,365	533,658
Fund balances							
Nonspendable	75,071	-	-	-	-	-	75,071
Restricted	53,043	128,554	2,223,076	1,452,998	4,859,942	483,540	9,201,153
Assigned	31,557	-	-	-	-	2,031,637	2,063,194
Unassigned	2,531,797	-	-	-	-	-	2,531,797
Total fund balances	2,691,468	128,554	2,223,076	1,452,998	4,859,942	2,515,177	13,871,215
Total liabilities and fund balances	\$ 2,861,575	\$ 240,074	\$ 2,337,635	\$ 1,452,998	\$ 4,894,049	\$ 2,618,542	\$ 14,404,873

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balances - governmental funds	\$ 13,871,215
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	62,947,988
Deferred outflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	2,138,512
Bond discounts are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	89,423
Bonds payable are not reported in the governmental fund balance sheet because they are not due and payable in the current period, but they are presented in the statement of net position.	(50,787,489)
Leases payable and lease liability, right-of-use assets are not reported in the governmental fund balance sheet because they are not due and payable in the current period, but they are presented in the statement of net position.	(42,186)
The long term portion of compensated absences is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(1,067,367)
Net OPEB obligation is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(2,131,836)
Net pension obligation is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(2,354,182)
Deferred inflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	(2,988,236)
Interest payable is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	<u>(592,320)</u>
Total net position - governmental activities	<u>\$ 19,083,522</u>

The accompanying notes are an integral part of these financial statements.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Funds	Construction Fund	Facility Support Program (FSPK) Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
From local sources							
Taxes							
Property	\$ 5,349,241	\$ -	\$ -	\$ 1,980,917	\$ -	\$ -	\$ 7,330,158
Motor vehicle	521,939	-	-	-	-	-	521,939
Utility	583,322	-	-	-	-	-	583,322
Other	10,507	-	-	-	-	-	10,507
Tuition	692,046	-	-	-	-	-	692,046
Transportation fees	12,174	-	-	-	-	-	12,174
Earnings on investments	281,339	5,794	352,051	30,844	121,751	9,913	801,692
Student activities	-	-	-	-	-	666,675	666,675
Student fees	205,171	-	-	-	-	110,863	316,034
Other local	101,910	6,209	-	-	-	215,380	323,499
Intergovernmental - State							
SEEK	4,632,972	-	-	-	-	-	4,632,972
Other	3,853,275	580,177	-	1,613,624	533,596	148,412	6,729,084
Intergovernmental - Federal	16,363	697,423	-	-	349,807	-	1,063,593
Total revenues	16,260,259	1,289,603	352,051	3,625,385	1,005,154	1,151,243	23,683,695
Expenditures							
Current:							
Instruction	9,568,416	1,197,860	-	-	-	812,803	11,579,079
Student	1,111,455	118,095	-	-	-	-	1,229,550
Instructional support	453,803	-	-	-	-	-	453,803
District administration	1,097,414	-	-	-	-	-	1,097,414
School administration	989,047	-	-	-	-	-	989,047
Business support	643,844	-	-	-	-	-	643,844
Plant operations and maintenance	1,683,615	-	-	-	-	-	1,683,615
Student transportation	93,729	-	-	-	-	-	93,729
Other	-	-	-	-	-	19,586	19,586
Site improvement	-	-	8,366,310	-	-	-	8,366,310
Debt service	-	-	-	-	3,510,338	-	3,510,338
Total expenditures	15,641,323	1,315,955	8,366,310	-	3,510,338	832,389	29,666,315
Excess (deficit) of revenues over (under) expenditures	618,936	(26,352)	(8,014,259)	3,625,385	(2,505,184)	318,854	(5,982,620)
Other financing sources (uses)							
Gain on sale of asset	1,000	-	-	-	-	-	1,000
Transfers in	-	29,477	-	-	2,943,430	640,000	3,612,907
Transfers out	(769,477)	-	-	(2,943,430)	-	-	(3,712,907)
Total other financing sources (uses)	(768,477)	29,477	-	(2,943,430)	2,943,430	640,000	(99,000)
Net change in fund balance	(149,541)	3,125	(8,014,259)	681,955	438,246	958,854	(6,081,620)
Fund balance as of June 30, 2024	2,841,009	125,429	10,237,335	771,043	4,421,696	1,556,323	19,952,835
Fund balance as of June 30, 2025	\$ 2,691,468	\$ 128,554	\$ 2,223,076	\$ 1,452,998	\$ 4,859,942	\$ 2,515,177	\$ 13,871,215

BEECHWOOD INDEPENDENT SCHOOL DISTRICT**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net change in total fund balances - governmental funds	\$ (6,081,620)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported as expenditures in the governmental fund financial statements because they use current financial resources, but they are treated as assets in the statement of net position and depreciated over their estimated economic lives. The difference is the amount by which capital outlay exceeds depreciation expense for the year.	7,585,471
Amortization of deferred outflows or resources is not recognized in the governmental fund financial statements, but is a component of interest in the Statement of Activities.	(6,510)
Amortization of bond premiums are recognized as revenue in the statement of activities, but are not recognized fund financial statements.	1,143
Amortization of bond discounts are recognized as revenue in the statement of activities, but are not recognized fund financial statements.	(10,983)
Bond, lease, and right-of-use lease payments are recognized as expenditures of current financial resources in the governmental fund financial statements, but are reductions of liabilities in the Statement of Net Position.	1,515,981
Calculated pension and OPEB expense is not recognized on the governmental fund financial statements, but is recognized as an expense on the Statement of Activities. while pension contributions are deferred on the Statement of Net Position	650,205
Compensated absences are recognized by the amount earned in the statement of activities, but the governmental fund financial statements only recognize the obligations anticipated to be retired from existing financial resources.	(64,133)
Interest payments are recognized as expenditures of financial resources in the governmental fund financial statements, but are expensed as incurred in the Statement of Activities.	<u>22,152</u>
Change in net position - governmental activities	<u>\$ 3,611,706</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2025

	<u>Food Service Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 94,116
Inventories	<u>17,954</u>
Total current assets	<u>112,070</u>
Noncurrent assets	
Net OPEB asset	10,078
Capital assets	1,177,481
Less accumulated depreciation	<u>(816,408)</u>
Total noncurrent assets	<u>371,151</u>
Total assets	<u>483,221</u>
Deferred outflow of resources	
Deferred outflows OPEB	24,442
Deferred outflows pension	<u>77,654</u>
Total deferred outflows of resources	<u>102,096</u>
Total assets and deferred outflows	<u>\$ 585,317</u>
LIABILITIES	
Noncurrent liabilities	
Net pension liability	<u>348,192</u>
Total noncurrent liabilities	<u>348,192</u>
Total liabilities	<u>348,192</u>
Deferred inflow of resources	
Deferred inflows - OPEB	113,187
Deferred inflows - Pension	<u>74,787</u>
Total deferred inflows of resources	<u>187,974</u>
NET POSITION	
Net investment in capital assets	361,073
Restricted for:	
Other	(311,922)
Unrestricted	<u>-</u>
Total net position	<u>49,151</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 585,317</u>

The accompanying notes are an integral part of these financial statements.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS****YEAR ENDED JUNE 30, 2025**

	<u>Food Service Fund</u>
Operating revenues	
Lunchroom sales	\$ 750,949
 Total operating revenues	 <u>750,949</u>
Operating expenses	
Salaries and wages	223,811
Employee benefits	116,060
Materials and supplies	553,517
Pension expense	(65,584)
Depreciation	<u>61,560</u>
 Total operating expenses	 <u>889,364</u>
 Operating loss	 <u>(138,415)</u>
Nonoperating revenues	
State grants	56,394
Interest income	<u>6,787</u>
 Total nonoperating revenues/(expenses)	 <u>63,181</u>
 Transfer in	 <u>100,000</u>
 Change in net position	 <u>24,766</u>
 Net position as of June 30, 2024	 <u>24,385</u>
 Net position as of June 30, 2025	 <u>\$ 49,151</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Food Service Fund
Cash flows from operating activities	
Cash received from:	
Lunchroom sales	\$ 750,949
Cash paid to/for:	
Employees	(339,871)
Supplies	(563,962)
Net cash used in operating activities	(152,884)
Cash flows from non-capital financing activities	
Grants received	56,393
Net cash used in non-capital financing activities	56,393
Cash flows from capital and related financing activities	
Purchase of capital assets	(10,040)
Interfund transfer	100,000
Net cash used in capital and related financing activities	89,960
Cash flows from investing activities	
Interest income	6,787
Net cash provided from investing activities	6,787
Net increase in cash and cash equivalents	256
Cash and cash equivalents as of June 30, 2024	93,860
Cash and cash equivalents as of June 30, 2025	\$ 94,116
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income/ (loss)	\$ (138,415)
Adjustments to reconcile change in net position to net cash used in operating activities:	
Decrease in accounts payable	(76)
Net change in pension and OPEB expense	(65,584)
Inventory	(10,369)
Depreciation	61,560
Net cash used in operating activities	\$ (152,884)
Schedule of non-cash transactions:	
Depreciation	\$ 61,560
Total non-cash transactions	\$ 61,560

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

1. REPORTING ENTITY

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

The District, for financial purposes, includes all of the funds and activities relevant to the operation of the Beechwood Independent Board of Education. The basic 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 Band Boosters, Parent-Teacher Associations, etc. Such funds or groups have been considered as prospective component units under GASB Statement Number 39, *Determining Whether Certain Organizations Are Component Units*, and have been determined to have insignificant assets, liabilities, equity, revenue and expenditures to be considered component units. In addition, the Board has the ability to exert little control over the fiscal activities of the funds or groups.

The basic 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:

Beechwood Independent School District Finance Corporation – In a prior year, the Beechwood Independent Board of Education resolved to authorize the establishment of the Beechwood Independent School District Finance Corporation (a non-profit, non-stock, public and charitable corporation pursuant to Section 162.385 of the School Bond Act and Chapter 273 and Section 58.180 of the Kentucky Revised Statutes (the "Corporation") to act as an agency for the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 to its proprietary funds, unless those pronouncements conflict or contradict GASB pronouncements.

The following is a summary of the basis of presentation:

Government-wide Financial Statements - The statement of net position and the statement of revenues, expenses, and changes in net position 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, which normally are supported by tax revenues, and those that are considered business-type activities, which rely significantly on fees and charges for support.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-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. 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 fund balances. Proprietary funds and fiduciary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Accounting principles generally accepted in the United States of America require that the General Fund be reported as a major fund. All other governmental and proprietary funds whose assets, liabilities, revenues, or expenditures comprise at least 10% of the total for the relevant fund category and at least 5% of the corresponding total for all governmental and proprietary funds combined must also be reported as major funds.

The District has the following funds:

I. Government Fund Types

The General Fund is the main operating fund of the District. It accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balances are considered as resources available for use. This is always a major fund of the District.

The Special Revenue (Grant) Funds account 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 the 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, if applicable in this report. This is a major fund of the District.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

I. Government Fund Types - continued

The Student Activity Fund is a special revenue fund that accounts for school activity fund revenues and expenditures.

The District Activity Fund is a special revenue fund that accounts for district co-curricular activity fund revenues and expenditures that are not raised and expended by student groups.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds). The Capital Projects Funds account for revenue and expenditures from three sources:

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 (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. This is a major fund of the District.
3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction and/or remodeling. This is a major fund of the District.

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. This is a major fund of the District.

II. Proprietary Fund Types (Enterprise Funds)

The Food Service Fund is used to account for school food service activities, including the National School Lunch Program and the National School Breakfast Program, which are conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA. The Food Service Fund is a major fund.

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-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.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

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

Unearned Revenue/Advances from Grantors - 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. The District reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, grants that are intended to finance future periods are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

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 flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave, which are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position proprietary funds as an expense with a like amount reported as donated commodities revenue.

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.

Property Taxes

Property taxes are levied by September 30 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.

The property tax rates (including exonerations) assessed for the year ended June 30, 2025, to finance the General Fund operations were \$.799 per \$100 valuation for real property, \$.913 per \$100 valuation for business personal property and \$.574 per \$100 valuation for motor vehicles.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the county, of telephonic and telegraphic communications services, electric power, water, and natural, artificial and mixed gas.

The District also levies a utility gross receipts license tax in the amount of 4% of the gross receipts derived from the furnishings, within the county, of cablevision services

Prepaid Assets

Payments made that will benefit periods beyond the end of the fiscal year are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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 activity's column of the government-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 government-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 \$5,000. 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 capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
School buses	10 years
Other vehicles	5 years
Audio-visual equipment	15 years
Food service equipment	12 years
Furniture and fixtures	7 years
Rolling stock	15 years
Other general equipment	10 years

Right-of-Use Assets

The District has recorded right of use lease assets as a result of implementing GASB 87, *Leases*, which established standards for leases that were previously classified as operating leases. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Interfund Receivables and Payables

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.

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation.

Sick leave eligibility and accumulation is specified in individual employment contracts. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 101, *Accounting for Compensated Absences*, the liability has been calculated using the more than likely than not to be used as leave or settled at separation method and an accrual for that liability is in the Government-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

For governmental fund financial statements the current portion, if any, of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accumulated sick leave payable" in the general fund. The noncurrent portion of the liability is not reported.

Bonds and Related Premiums, Discounts, and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Discounts related to debt issuance are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Budgetary Process

The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary basis and the GAAP basis are:

- Revenues are recorded on the modified accrual basis of accounting (budgetary) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded on the modified accrual basis of accounting (budgetary) as opposed to when susceptible to accrual (GAAP).

Once the budget is approved by the Board, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Budgetary receipts represent original estimates modified for adjustments, if any, during the fiscal year. Budgetary disbursements represent original appropriations adjusted for budget transfers and additional appropriations, if any, approved during the fiscal year.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Each budget is prepared and controlled at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.

Cash and Cash Equivalents

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

Receivables

The District recognizes revenues as receivables when they are measurable, and receipt is probable. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions. Federal and state grants to be used or expended as specified by the grantor are recognized as revenue and recorded as receivables as qualifying expenditures are made.

Inventories

On government-wide and governmental fund financial statements inventories of supplies and materials are stated at cost and are expensed when used.

The school food service fund inventory consists of food and supplies.

The food service fund inventory is stated at cost and uses the specific identification method; the general fund inventory is stated at cost and uses the first-in, first-out method.

Accrued Liabilities and Long-Term Obligations

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

Fund Balances

Fund balances are separated into five categories, as required by GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

Nonspendable fund balance is permanently nonspendable by decree of donor. Examples would be an endowment or that which may not be used for another purpose such as amounts used to prepay future expenses or already purchased inventory on hand.

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which, for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment.

Assigned fund balances are those amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The Board of Education allows program supervisors to complete purchase orders which result in the encumbrance of funds. Assigned fund balance also includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

This District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Encumbrances

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are appropriated in the next year. Encumbrances are considered a managerial assignment of fund balance at June 30, 2025, 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 School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by the various schools. Non-operating revenues are not generated directly from the primary activity of the proprietary funds. For the School District, those revenues come in the form of grants (federal and state) and earnings from investments.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

2. BASIS OF PRESENTATION AND 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 after nonoperating revenues/expenses in proprietary funds.

Repayments from funds responsible for expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's 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 financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Deferred Inflows and Deferred Outflows of Resources

Deferred inflows and deferred outflows are recorded on the government-wide and proprietary financial statements. The deferred outflows of resources presented were primarily created by differences in pension expectations, the prior refunding of revenue bonds, and deferral of pension contributions. Deferred inflows were primarily created by actuarial determinations of net pension liability changes.

Pensions and Other Post-employment Benefits

For purposes of measuring the net liabilities, the deferred outflows of resources and deferred inflows of resources, and expense related to pensions and other post-employment benefits (OPEB), information about the fiduciary net position of the pension / OPEB plans, and additions to / deductions from the pension / OPEB plans' fiduciary net position has been determined on the same basis as they are reported by the pension / OPEB plans. For this purpose, revenues are recognized when earned. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The primary government's proportionate share of pension amounts was further allocated to proprietary funds based on the salaries paid by each proprietary fund. Plan investments are reported at fair value.

Other Post-employment Benefits (OPEB)

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

3. DEPOSITS AND INVESTMENTS

Deposits

The District's deposits (demand deposit accounts) are carried at cost, which approximates fair value. At June 30, 2025, the book balance of the District's bank deposits and the bank balances were as follows:

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

3. DEPOSITS AND INVESTMENTS-CONTINUED

	<u>Bank Balance</u>	<u>Book Balance</u>
BNY Mellon	\$ 4,886,962	\$ 4,886,962
Heritage Bank	7,825,420	7,831,940
US Bank	<u>1,506,788</u>	<u>1,506,788</u>
	<u>\$ 14,219,170</u>	<u>\$ 14,225,690</u>

Breakdown per financial statements is as follows:

Governmental funds	\$ 14,131,574
Proprietary funds	<u>94,116</u>
	<u>\$ 14,225,690</u>

Due to the nature of the accounts and limitations imposed for the purposes of various funds, all cash balances are considered to be restricted except for the General Fund.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2025, none of the District's bank balance was exposed to custodial credit risk because of coverage by Federal Depository insurance and by collateral agreements and collateral held by the pledging banks' trust departments in the District's name.

Investments

Funds of the District are public funds and, therefore, their investment is limited by statute to certain obligations of the United States or similar government agencies, cash instruments, and certain pooled investment funds as provided by KRS 66.480. At June 30, 2025, the District holds only demand deposits and certificates of deposit considered to be cash equivalents. Consequently, the District does not have investment related credit risk or interest risk.

Investments reported on the financial statements are nonparticipating interest-earning investment contracts purchased from a bank in the form of a Certificate of Deposit. Therefore, under GASB Statement No 72, Fair Value Measurement & Application these types of investments are exempt from fair value measurements.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

5. CAPITAL ASSETS

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

	June 30, 2024			June 30, 2025
	Balance	Additions	Retirements	Balance
Governmental Activities				
Land & land improvements	\$ 3,608,719	\$ -	\$ -	\$ 3,608,719
Buildings	34,248,094	-	-	34,248,094
Technology equipment	480,227	-	-	480,227
Vehicles	281,696	39,999	61,977	259,718
General equipment	823,503	183,290	10,100	996,693
Construction work in progress	28,953,632	8,366,310	-	37,319,942
Total historical cost	68,395,871	8,589,599	72,077	76,913,393
Less accumulated depreciation	13,033,354	1,000,437	68,386	13,965,405
Governmental capital assets, net	<u>\$ 55,362,517</u>	<u>\$ 7,589,162</u>	<u>\$ 3,691</u>	<u>\$ 62,947,988</u>
Business-type Activities				
Buildings and Improvements	\$ 497,211	\$ -	\$ -	\$ 497,211
General equipment	680,232	10,040	10,000	680,272
Total historical cost	1,177,443	10,040	10,000	1,177,483
Less accumulated depreciation	764,848	61,560	10,000	816,408
Business-type capital assets, net	<u>\$ 412,595</u>	<u>\$ (51,520)</u>	<u>\$ -</u>	<u>\$ 361,073</u>

Depreciation expense for business-type activities was entirely incurred in the operation of the School Food Services. Depreciation for governmental activities was charged to governmental functions as follows:

Instruction	\$ 375,499
Student Support Services	149,100
Instructional Staff Support Services	15,039
School Admin Support	135,281
Plant operation and maintenance	304,193
Student transportation	21,325
	<u>\$ 1,000,437</u>

6. RIGHT-OF-USE ASSETS

The District has recorded right-of-use assets. The right-of-use asset is a building lease for 5 years, with a 3% interest rate. The right-of-use assets are amortized on a straight-line basis over the life of the lease.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

6. RIGHT-OF-USE ASSETS – CONTINUED

Right-of-use leased asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Intangible right-of-use assets	\$ 188,244	\$ -	\$ -	\$ 188,244
Totals at historical cost	188,244	-	-	188,244
Less: accumulated amortization	(184,321)	(3,923)	-	(188,244)
Right-of-use assets - net	\$ 3,923	\$ (3,923)	\$ -	\$ -

The lease liability as of June 30, 2025 was \$-0-. The District did not renew the lease.

7. LONG-TERM DEBT

A. LEASES PAYABLE

The District has entered into a lease agreement for equipment which will become the property of the District when all terms of the lease agreement are met. The following schedule presents the lease activity for the year ended June 30, 2025:

Description	Maturity	Interest Rates	Original Issue	Balance July 1, 2024	Debt Issued	Debt Paid	Balance June 30, 2025	Due Within One Year
2019 Issue	11/30/2024	3.00%	\$ 44,244	\$ 3,945	\$ -	\$ 3,945	\$ -	\$ -
2023 Issue	7/31/2028	4.00%	40,887	33,989	-	7,819	26,170	8,137
2024 Issue	2/28/2030	4.00%	17,816	-	17,816	1,800	16,016	3,185
			<u>\$ 102,947</u>	<u>\$ 37,934</u>	<u>\$ 17,816</u>	<u>\$ 13,564</u>	<u>\$ 42,186</u>	<u>\$ 11,322</u>

The following presents a schedule by years of the future minimum lease payments under lease as of June 30, 2025:

	Principal	Interest	Total
2025-26	\$ 11,323	\$ 1,481	\$ 12,804
2026-27	11,784	1,020	12,804
2027-28	12,264	540	12,804
2028-29	4,341	180	4,521
2029-30	2,474	37	2,511
	<u>\$ 42,186</u>	<u>\$ 3,258</u>	<u>\$ 45,444</u>

B. LONG-TERM OBLIGATIONS

The amounts shown in the accompanying basic financial statements as bond obligations represent the District's future obligations to make lease payments relating to the bonds issued by the Beechwood Independent School District Finance Corporation.

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

See table on next page

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

7. LONG-TERM DEBT - CONTINUED

<u>Issue Date</u>	<u>Proceeds</u>	<u>Rates</u>	<u>Final Maturity</u>
2011	\$ 7,560,000	5.00%	2031
2014	\$ 5,315,000	1.65%-3.25%	2030
2015	\$ 4,475,000	2.00%-3.10%	2035
2016	\$ 3,240,000	2.00% - 3.00%	2036
2016	\$ 2,940,000	2.00% - 2.375%	2031
2018	\$ 1,900,000	3.00%-3.50%	2038
2021	\$ 4,585,000	0.28%-2.20%	2041
2022	\$ 29,770,000	2.30%-4.10%	2048

The District, through the General Fund, including utility taxes, the FSPK Building Fund, 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 Beechwood Independent School District Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

In 1987, the District entered into "participation agreements" with the Kentucky School Facility Construction Commission. The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. The table below 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 outstanding has been recorded in the financial statements.

Generally, all bonds issued are secured by a statutory mortgage lien on the respective school buildings and appurtenant properties, including any subsequent additions thereto. The agreements contain a provision that in the event of default, action can be taken to compel specific performance. The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission at June 30, 2025 for debt service (principal and interest) are as follows:

See table on next page

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

7. LONG-TERM DEBT - CONTINUED

Year	Beechwood Independent School District		Kentucky School Facility Construction Commission		Federal Interest	Total	
	Principal	Interest	Principal	Interest		Principal	Total Interest
2025-26	\$ 1,415,324	\$ 1,528,016	\$ 144,676	\$ 43,916	\$ 375,732	\$ 1,560,000	\$ 1,947,663
2026-27	1,456,259	1,489,286	148,741	39,852	375,732	1,605,000	1,904,870
2027-28	1,496,963	1,445,608	153,037	35,555	375,732	1,650,000	1,856,895
2028-29	1,542,465	1,399,918	157,535	31,057	375,732	1,700,000	1,806,707
2029-30	1,591,246	1,351,460	143,754	26,421	375,732	1,735,000	1,753,613
2030-31	9,198,501	1,306,338	96,499	22,712	187,866	9,295,000	1,516,916
2031-32	1,687,459	1,256,296	97,541	19,654	-	1,785,000	1,275,950
2032-33	1,743,357	1,201,616	101,643	16,559	-	1,845,000	1,218,175
2033-34	1,800,131	1,145,054	104,869	13,334	-	1,905,000	1,158,388
2034-35	1,856,775	1,086,579	108,225	9,977	-	1,965,000	1,096,556
2035-36	1,923,201	1,023,176	36,799	6,512	-	1,960,000	1,029,688
2036-37	1,996,841	948,112	38,159	5,150	-	2,035,000	953,263
2037-38	2,070,429	874,999	39,571	3,739	-	2,110,000	878,738
2038-39	2,150,792	792,160	14,208	2,265	-	2,165,000	794,425
2039-40	2,235,185	708,061	14,815	1,657	-	2,250,000	709,719
2040-41	2,324,541	619,580	15,459	1,014	-	2,340,000	620,594
2041-42	2,423,870	519,145	16,130	343	-	2,440,000	519,488
2042-43	1,550,000	433,731	-	-	-	1,550,000	433,731
2043-44	1,620,000	363,375	-	-	-	1,620,000	363,375
2044-45	1,695,000	288,788	-	-	-	1,695,000	288,788
2045-46	1,775,000	210,713	-	-	-	1,775,000	210,713
2046-47	1,855,000	129,038	-	-	-	1,855,000	129,038
2047-48	1,940,000	43,650	-	-	-	1,940,000	43,650
	<u>\$ 49,348,339</u>	<u>\$ 20,164,696</u>	<u>\$ 1,431,661</u>	<u>\$ 279,717</u>	<u>\$ 2,066,526</u>	<u>\$ 50,780,000</u>	<u>\$ 22,510,939</u>

A summary of the changes in long-term liabilities during the fiscal year ended June 30, 2025 is as follows:

School Building Revenue Bonds	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
2011 Revenue	\$ 7,560,000	\$ -	\$ -	\$ 7,560,000
2014 Revenue	2,505,000	-	455,000	2,050,000
2015 Revenue	3,355,000	-	155,000	3,200,000
2016 Revenue	2,870,000	-	50,000	2,820,000
2016 Revenue	1,565,000	-	220,000	1,345,000
2018 Revenue	1,635,000	-	50,000	1,585,000
2021 Revenue	4,300,000	-	145,000	4,155,000
2022 Revenue	28,510,000	-	445,000	28,065,000
Unamortized Premium	8,632	-	1,143	7,489
Unamortized Discount	(100,406)	10,983	-	(89,423)
Net Pension Liability (Asset) - CERS	3,024,485	-	322,111	2,702,374
Net OPEB Liability (Asset) - CERS	(67,076)	-	11,166	(78,242)
Net OPEB Liability (Asset) - KTRS	2,579,000	-	379,000	2,200,000
Compensated Absences	1,003,233	64,134	-	1,067,367
	<u>\$ 58,747,868</u>	<u>\$ 75,117</u>	<u>\$ 2,233,420</u>	<u>\$ 56,589,565</u>

The change in accrued sick leave is presented as a net change.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

8. RETIREMENT PLANS

The District's employees are provided with two pension plans, based on each position's college degree requirements as described below. The two pension plans are County Employees Retirement System (CERS) and the Kentucky Teachers Retirement System (KTRS).

General information about the County Employees Retirement System Non-Hazardous (CERS)

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

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

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

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.

Contributions—Required contributions by the employee are based on the tier:

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

Funding Policy - Funding for the plan is provided through payroll withholdings and matching District contributions. The District contributes 19.71% of the employee's total compensation subject to contribution. The pension contribution rate was 19.71% and OPEB has a contribution rate of 0.00%.

8. RETIREMENT PLANS – CONTINUED

General information about the Teachers' Retirement System of the State of Kentucky (KTRS)

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 (KTRS)—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. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at <http://www.ktrs.ky.gov/>

Benefits provided—TRS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees become vested when they complete five (5) years of credited service. For retirement purposes, employees are grouped into four tiers, based on hire date:

TRS 1	Participation Date	Before July 1, 2002
	Unreduced retirement	27 years service or at least 5 years service and 60 years old
	Reduced retirement	At least 5 years service and 55 years old with a reduction in retirement of 5% for each year under age 60 or under 27 years of service, whichever is less (up to 25%)
	Retirement factors	2.5% per year of service up to 30, 3.0% per year of service for each year over 30
	Final average salary	Average of the 5 highest annual salaries until a member reaches At least 27 years service and age 55, when the highest 3 annual salaries are used
TRS 2	Participation Date	July 1, 2002 – June 30, 2008
	Unreduced retirement	27 years service or at least 5 years service and 60 years old
	Reduced retirement	At least 5 years service and 55 years old with a reduction in retirement of 5% for each year under age 60 or under 27 years of service, whichever is less (up to 25%)
	Retirement factors	2.0 - 2.5% per year of service up to 30, 3.0% per year of service for each year over 30
TRS 3	Participation Date	July 1, 2008 – December 31, 2021
	Unreduced retirement	27 years service or at least 5 years service and 60 years old
	Reduced retirement	At least 10 years service and 55 years old with a reduction in retirement of 6% for each year under age 60 or under 27 years of service, whichever is less (up to 30%)
	Retirement factors	1.7 - 2.5% per year of service up to 30, 3.0% per year of service for each year over 30
	Final average salary	Average of the 5 highest annual salaries until a member reaches At least 27 years service and age 55, when the highest 3 annual salaries are used

8. RETIREMENT PLANS - CONTINUED

TRS 4	Participation Date	On or after January 1, 2022 - Present
	Unreduced retirement	Age 57 with 30 years service or at least 10 years service and 60 years old or at least 5 years service and 65 years old
	Reduced retirement	At least 10 years service and 57 years old with a reduction in retirement of 6% for each year under age 60 or under 27 years of service, whichever is less (up to 18%)
	Retirement factors	1.7 - 2.5% per year of service up to 30, 2.2 - 2.4% per year of service for each year over 30
	Final average salary	Average of the 5 highest annual salaries

KTRS also provides disability benefits for vested employees at a rate of sixty (60) percent of their 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.

Contributions—Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees in TRS 1, TRS 2, and TRS 3 are required to contribute 12.855% of their salaries to the System. Non-university employees in TRS 4 are required to contribute 14.750% of their salaries to the system.

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 in TRS 1 and TRS 2, 14.105% and 14.105% of salaries for local school district and regional cooperative employees in TRS 3, and 10.750% of salaries for local school district and regional cooperative employees in TRS 4. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries for employees in TRS 1 And TRS 2, 17.105% of salaries for employees in TRS 3, and 10.750% of salaries for employees in TRS 4. 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.

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

At June 30, 2025, the District reported a liability (asset) for its proportionate share of the net pension liability (asset) for CERS. The District did not report a liability (asset) for the District's proportionate share of the net pension liability (asset) for KTRS because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability (asset), the related Commonwealth support, and the total portion of the net pension liability (asset) that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability (asset)	\$	2,702,374
Commonwealth's proportionate share of the KTRS net pension liability (asset) associated with the District		31,587,303
	\$	<u>34,289,677</u>

The net pension liability (asset) for each plan was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

8. RETIREMENT PLANS - CONTINUED

The District's proportion of the net pension liability (asset) for CERS was based on the actual liability (asset) of the employees and former employees relative to the total liability (asset) of the System as determined by the actuary. At June 30, 2024, the District's proportion was 0.045232%.

For the year ended June 30, 2025, the District recognized pension expense (credit) of (\$283,598) related to CERS and \$3,862,596 related to KTRS. The District also recognized revenue of \$3,862,596 for KTRS support provided by the Commonwealth. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 130,800	\$ -
Changes of assumptions	-	122,094
Net difference between projected and actual earnings on pension plan investments	185,592	359,340
Changes in proportion and differences between District contributions and proportionate share of contributions	-	98,998
District contributions subsequent to the measurement date	286,293	-
Total	<u>\$ 602,685</u>	<u>\$ 580,432</u>

The \$286,293 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 (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ (173,324)
2026	14,796
2027	(66,791)
2028	(38,721)
	<u>\$ (264,040)</u>

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

	CERS	KTRS
Inflation	2.50%	2.50%
Projected salary increases	3.30%-10.30%	3.00-7.50%
Investment rate of return, net of investment expense & inflation	6.50%	7.10%
Municipal bond index rate		3.94%
Single equivalent interest rate		7.10%

8. RETIREMENT PLANS – CONTINUED

For KTRS, 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.

Discount rate—For CERS, the discount rate used to measure the total pension liability (asset) was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 6.50%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of CERS and KTRS proportionate share of net pension liability (asset) to changes in the discount rate—The following table presents the net pension liability (asset) of the District, calculated using the discount rates selected by each pension system, as well as what the District's net pension liability (asset) 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	5.50%	6.50%	7.50%
District's proportionate share of net pension liability (asset)	\$ 3,483,802	\$ 2,702,374	\$ 2,053,995
KTRS	6.10%	7.10%	8.10%
State's proportionate share of net pension liability (asset)	\$ -	\$ -	\$ -

Pension plan fiduciary net position—Detailed information about the CERS and the KTRS pension plans fiduciary net position, projected benefits, and projected funding status is available in separately issued financial reports at <http://kyret.ky.gov/> and <https://gov.state.ky.us>, respectively.

The District's contribution (both withholding and match) KTRS for the year ended June 30, 2025, 2024, and 2023 was \$1,262,782, \$1,094,269, and \$1,133,008, respectively. The District's contributions (both withholding and match) CERS for the year ended June 30, 2025, 2024, and 2023 was \$368,788, \$420,474, and \$453,796, respectively. The District met their contribution requirements.

9. OTHER POST-EMPLOYMENT BENEFITS PLAN

General Information about the Kentucky Teachers' Retirement System of the State of Kentucky (TRS)

Plan description—Teaching-certified employees of the Kentucky School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <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 pension benefits described above, KRS 161.675 requires KTRS to provide post-employment healthcare benefits to eligible employees and dependents. The KTRS Medical Insurance Fund is a cost-sharing multiple employer defined benefit plan. Changes made to the medical plan may be made by the KTRS 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 KTRS 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 KTRS Medicare Eligible Health Plan.

Funding policy—In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of employees before July 1, 2008, is contributed. Three and three quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from Commonwealth appropriation and three percent (3.00%) from the employer.

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

At June 30, 2025, the District reported a liability (asset) of \$2,200,000 for its proportionate share of the collective net OPEB liability (asset) that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) used to calculate the collective net OPEB liability (asset) was based on projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.098693%.

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

See table on next page

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

District's proportionate share of the KTRS net OPEB liability (asset)	\$ 2,200,000
Commonwealth's proportionate share of the KTRS net OPEB liability (asset) associated with the District	<u>1,960,000</u>
	<u>\$ 4,160,000</u>

For the year ended June 30, 2025, the District recognized OPEB expense of \$182,573 and revenue of \$182,573 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 661,000
Changes of assumptions	560,000	-
Net difference between projected and actual earnings on pension plan investments	-	71,000
Changes in proportion and differences between District contributions and proportionate share of contributions	613,000	985,000
District contributions subsequent to the measurement date	<u>227,427</u>	<u>-</u>
Total	<u>\$ 1,400,427</u>	<u>\$ 1,717,000</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2026	\$ (164,000)
2027	(33,000)
2028	(64,000)
2029	(142,000)
2030	(118,000)
Thereafter	<u>(23,000)</u>
	<u>\$ (544,000)</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

Actuarial assumptions – The total OPEB liability (asset) in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00-7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
Under 65	6.50% for FY 2024 decreasing to an ultimate rate of 4.50% by FY 2031
Medicare Part B	5.92% for FY 2024 with an ultimate rate of 4.50% by FYE 2035
Municipal Bond Index Rate	3.94%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distributions 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.

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability (asset)	\$ 2,922,000	\$ 2,200,000	\$ 1,601,000

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

Sensitivity of the District's proportionate share of the collective net OPEB liability (asset) to changes in the healthcare cost trend rates – The following presents the District's proportionate share of the collective net OPEB liability (asset), as well as what the District's proportionate share of the collective net OPEB liability (asset) 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>
KTRS			
District's proportionate share			
of net OPEB liability (asset)	\$ 1,486,000	\$ 2,200,000	\$ 3,087,000

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 – Life Insurance Plan – 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 employers defined benefit plan with a special funding situation. Changes made to the life insurance plan may be made by the TRS Board of Trustees and the General Assembly.

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

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

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

At June 30, 2025, the District did not report a liability (asset) for its proportionate share of the collective net OPEB liability (asset) 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 (asset) that was associated with the District were as follows:

District's proportionate share of the KTRS net OPEB	
Life Insurance Plan liability (asset)	\$ -
Commonwealth's proportionate share of the KTRS net	
OPEB Life Insurance liability (asset) associated with the District	45,000
	<u>\$ 45,000</u>

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

Actuarial assumptions – The total OPEB liability (asset) in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00-7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.94%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation

The remaining actuarial assumptions (e.g. initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2024 valuation were based on a review of recent plan experience done concurrently with the June 30, 2024 valuation.

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

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

General information about the County Employees Retirement System Non-Hazardous (CERS)

Plan description—Employees whose positions do not require a degree beyond a high school diploma are provided OPEBs through the County Employees Retirement System Non-Hazardous (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 hospital and medical insurance for eligible members receiving benefits from the pension plan. Employees are vested in the plan after five years' service. For plan purposes, employees are grouped into two groups, based on hire date. Members who reach a minimum vesting period of 10 years, and began participating on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. For members participating prior to July 1, 2003, are paid up to a maximum of \$13.18 per month for every year of earned service. The percentage of the maximum monthly benefit paid is based on years of service as follows:

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

General information about the County Employees Retirement System Non-Hazardous (CERS)

Years of Service	Paid by Insurance Fund (%)
20+ years	100.00%
15-19 years	75.00%
10-14 years	50.00%
4-9 years	25.00%
Less than 4 years	0.00%

Contributions—Required contributions by the employee are based on the tier:

Tier 1	Participation date	Before September 1, 2008
	Contribution percentage	0.00%
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Contribution percentage	1%
Tier 3	Participation date	After December 31, 2013
	Contribution percentage	1%

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

At June 30, 2025, the District reported a liability (asset) of (\$78,242) for its proportionate share of the collective net OPEB liability (asset) that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) used to calculate the collective net OPEB liability (asset) was based on projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.045232%.

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

District's proportionate share of the CERS	\$	(78,242)
net OPEB liability (asset)		
	\$	<u>(78,242)</u>

For the year ended June 30, 2025, the District recognized OPEB expense (credit) of (\$225,505). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

See table on next page

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,408	\$ 615,613
Changes of assumptions	70,897	55,208
Net difference between projected and actual earnings on pension plan investments	68,777	140,178
Changes in proportion and differences between District contributions and proportionate share of contributions	6,686	67,779
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 189,768</u>	<u>\$ 878,778</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$0 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 (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2025	\$ (275,024)
2026	(220,877)
2027	(181,392)
2028	(11,717)
2029	-
	<u>\$ (689,010)</u>

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distributions 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.

Actuarial assumptions - The total OPEB liabilities (assets) in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.30-10.30%, including inflation
Inflation Rate	2.30%
Payroll Growth Rate	2.00%
Healthcare cost trend rates	
Pre 65	6.20% for FY 2024 with an ultimate rate of 4.05% by FY 2035
Post 65	9.00% for FY 2024 with an ultimate rate of 4.05% by FY 2035
Municipal bond index rate	3.97%
Discount rate	5.99%

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

Discount rate – The Discount rate used to measure the total OPEB liability (asset) was 5.99%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

The following table presents the District's proportionate share of the collective net OPEB liability (asset) of the System, calculated using the discount rate of 5.99%, as well as what the District's proportionate share of the collective net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.99%) or 1-percentage-point higher (6.99%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	4.99%	5.99%	6.99%
District's proportionate share of net OPEB liability (asset)	\$ 105,793	\$ (78,242)	\$ (232,979)

Sensitivity of the District's proportionate share of the collective net OPEB liability (asset) to changes in the healthcare cost trend rates – The following presents the District's proportionate share of the collective net OPEB liability (asset), as well as what the District's proportionate share of the collective net OPEB liability (asset) 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>
CERS			
District's proportionate share of net OPEB liability (asset)	\$ (188,242)	\$ (78,242)	\$ 49,899

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

10. DEFERRED COMPENSATION

The District offers its employees participation in a deferred compensation program administered by the Kentucky Public Employees' Deferred Compensation Authority. This program offers a plan authorized by Section 457(b) of the Internal Revenue Code and a plan authorized by Section 401(k) of the Internal Revenue Code. Both plans are available to all employees and permit them to defer up to 25% of their compensation (subject to limits) until future years. The District makes no contributions to these plans.

11. 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 based on the grantor's review the funds are considered not to have been used for the intended purpose, the grantor may request a refund of funds advanced, or refuse to reimburse the District for its disbursements, and the collectability of any related receivables as of June 30, 2025, may be impaired. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

12. LITIGATION

The District is subject to legal actions in various states of litigation, the outcome of which is not determinable at this time. Management of the District and its legal counsel do not anticipate that there will be any material effect on the financial statements as a result of the cases presently in progress.

13. RISK MANAGEMENT

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 is covered through the purchase of commercial insurance. Settled claims resulting from these risks have created a potential liability as discussed in the *Litigation* disclosure above.

Contributions for Workers' Compensation coverage are based on premium rates established in conjunction with the insurance carrier, subject to claims experience modifications and discounts.

14. DEFICIT FUND BALANCES

The District had no funds with a deficit balance at June 30, 2025.

15. COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. Failure to comply with this requirement may put the school district at risk for a substantial loss. There were no instances of noncompliance noted.

16. TRANSFER OF FUNDS

The following transfers were made during the year:

<u>Type</u>	<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Operating	General Fund	Special Revenue	KETS	\$ 29,477
Operating	General Fund	District Activity	Local Grant for Facilities	\$ 640,000
Operating	Building	Debt Service	Debt Service	\$ 2,943,430
Operating	General Fund	Food Service	Food Service	\$ 100,000

17. ON-BEHALF PAYMENTS

The Commonwealth of Kentucky pays certain expenses on behalf of the District. These expenses include employee health insurance, the employer match of Kentucky Teachers' Retirement System, certain other employee benefits, specific technology expense and debt service. These amounts are included in the fund financial statements.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2025

17. ON-BEHALF PAYMENTS (CONTINUED)

The following payments for fringe benefits are included as revenues and expenses on the statement of revenues, expenses, and changes in net position:

Retirement annuity trust contributions to the Teachers' Retirement System of Kentucky	\$	2,053,069
Health and life insurance contributions to the Teachers' Retirement System of Kentucky		188,038
Health and Life insurance		1,561,828
Other Less Federal		18,644
Technology		42,336
Debt Service		533,596
	\$	<u>4,397,511</u>

18. FUND BALANCE DESIGNATIONS

The following funds had nonspendable fund balances as follows:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	\$ 75,071	Prepaid expenses

The following funds had restricted fund balances as follows:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	\$ 53,043	Sick Leave
Special Revenue	\$ 128,554	Grants
School Activity Funds	\$ 188,061	Activity Funds
Capital Outlay Fund	\$ 295,479	Capital Outlay
Building Fund	\$ 1,452,998	Construction
Debt Service	\$ 4,859,942	Debt Service
Construction	\$ 2,223,076	Future Construction

The following funds had assigned fund balances as follows:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	\$ 31,557	Annual leave
District Activity	\$ 2,031,637	Purchase obligations

19. INTERFUND PAYABLES

At June 30, 2025, there were no interfund receivables or payables recorded.

19. CHANGE IN ACCOUNTING PRINCIPLE

The District has adopted GASB Statement No. 101, Compensated Absences, effective July 1, 2024. Statement 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments.

20. PRIOR PERIOD ADJUSTMENT

The adoption of GASB Statement No. 101 has resulted in a prior period adjustment to the beginning net position for government-wide activities. The beginning net position for government wide activities was decreased by \$810,163.

21. SUBSEQUENT EVENTS

Management of the District has evaluated subsequent events through October 16, 2025, which was the date the report was available for release. No events have occurred subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources				
Taxes:				
Property	\$ 5,387,650	\$ 5,387,650	\$ 5,349,241	\$ (38,409)
Motor vehicle	414,756	414,756	521,939	107,183
Utility	420,000	420,000	583,322	163,322
Other	1,000	1,000	10,507	9,507
Tuition	596,000	596,000	692,046	96,046
Transportation fees	3,000	3,000	12,174	9,174
Earnings on investments	50,000	50,000	281,339	231,339
Student fees	161,000	161,000	205,171	44,171
Other local	101,738	101,738	101,910	172
Intergovernmental - State	9,386,422	9,386,422	8,486,247	(900,175)
Intergovernmental - Federal	10,000	10,000	16,363	6,363
Total revenues	<u>16,531,566</u>	<u>16,531,566</u>	<u>16,260,259</u>	<u>(271,307)</u>
Expenditures				
Current:				
Instruction	11,893,451	11,893,451	9,568,416	2,325,035
Student	1,112,817	1,112,817	1,111,455	1,362
Instructional support	475,120	475,120	453,803	21,317
District administration	852,238	852,238	1,097,414	(245,176)
School administration	888,179	888,179	989,047	(100,868)
Business operations	690,818	690,818	643,844	46,974
Plant operations and maintenance	2,039,112	2,039,112	1,683,615	355,497
Student transportation	142,451	142,451	93,729	48,722
Contingency	1,003,057	1,003,057	-	1,003,057
Total expenditures	<u>19,097,243</u>	<u>19,097,243</u>	<u>15,641,323</u>	<u>3,455,920</u>
Excess (deficit) of revenues over (under) expenditures	(2,565,677)	(2,565,677)	618,936	3,184,613
Other financing sources (uses)				
Gain on sale of asset	-	-	1,000	1,000
Transfers in	37,725	37,725	-	(37,725)
Transfers out	(138,784)	(138,784)	(769,477)	(630,693)
Total other financing sources (uses)	<u>(101,059)</u>	<u>(101,059)</u>	<u>(768,477)</u>	<u>(667,418)</u>
Net change in fund balance	(2,666,736)	(2,666,736)	(149,541)	2,517,195
Fund balance as of June 30, 2024	<u>2,666,736</u>	<u>2,666,736</u>	<u>2,841,009</u>	<u>174,273</u>
Fund balance as of June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,691,468</u>	<u>\$ 2,691,468</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - SPECIAL REVENUE FUND****YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources:				
Other local	\$ 49,671	\$ 49,671	\$ 6,209	\$ (43,462)
Earnings on investments	-	-	5,794	5,794
Intergovernmental - State	576,623	576,623	580,177	3,554
Intergovernmental - Federal	845,978	845,978	697,423	(148,555)
Total revenues	<u>1,472,272</u>	<u>1,472,272</u>	<u>1,289,603</u>	<u>(182,669)</u>
Expenditures				
Current:				
Instruction	1,367,177	1,367,177	1,197,860	169,317
Student support services	<u>133,095</u>	<u>133,095</u>	<u>118,095</u>	<u>15,000</u>
Total expenditures	<u>1,500,272</u>	<u>1,500,272</u>	<u>1,315,955</u>	<u>184,317</u>
Deficit of revenues under expenditures	<u>(28,000)</u>	<u>(28,000)</u>	<u>(26,352)</u>	<u>1,648</u>
Other financing sources				
Operating transfers in	28,000	28,000	29,477	1,477
Operating transfers out	-	-	-	-
Total other financing sources	<u>28,000</u>	<u>28,000</u>	<u>29,477</u>	<u>1,477</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>3,125</u>	<u>3,125</u>
Fund balance as of June 30, 2024	<u>-</u>	<u>-</u>	<u>125,429</u>	<u>9,603</u>
Fund balance as of June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,554</u>	<u>\$ 12,728</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGET AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND

YEAR ENDED JUNE 30, 2025

The District's budgetary process accounts for transactions on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. In accordance with state law, the District prepares a general school budget based upon the amount of revenue to be raised by local taxation, including the rate of levy, and from estimates of other Local, State, and Federal revenues. The budget contains estimated expenditures for current expenses, debt service, capital outlay, and other necessary expenses. The budget must be approved by the Board. The District must formally and publicly examine estimated revenues and expenses for the subsequent fiscal year by January 31 of each calendar year. Additionally, the District must submit a certified budget to the Kentucky Department of Education by March 15 of each calendar year, which includes the amount for certified and classified staff, based on the District's staffing policy, and the amount for the instructional supplies, materials, travel and equipment. Additionally, the District must adopt a tentative working budget for the subsequent fiscal year by May 30 of each calendar year. The budget must contain a 2% reserve but not greater than 10%. Finally, the District must adopt a final working budget and submit it to the Kentucky Department of Education by September 30 of each calendar year. The Board has the ability to amend the working budget.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
COUNTY EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2025

	District's proportion of net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.05%	\$ 2,702,374	\$ 1,418,622	190.49%	61.61%
2024	0.05%	\$ 3,024,485	\$ 1,562,089	193.62%	57.48%
2023	0.05%	\$ 3,426,480	\$ 1,421,208	241.10%	52.42%
2022	0.05%	\$ 3,299,915	\$ 1,377,170	239.62%	57.33%
2021	0.05%	\$ 3,818,085	\$ 1,275,257	299.40%	47.81%
2020	0.05%	\$ 3,576,936	\$ 1,282,872	278.82%	50.45%
2019	0.05%	\$ 3,052,827	\$ 1,242,280	245.74%	53.54%
2018	0.05%	\$ 2,721,845	\$ 1,134,406	239.94%	53.30%
2017	0.04%	\$ 2,141,584	\$ 1,037,534	206.41%	55.50%
2016	0.04%	\$ 1,794,192	\$ 925,405	193.88%	59.97%

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
COUNTY EMPLOYEES RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2025	\$ 279,610	\$ 279,610	\$ -	\$ 1,418,622	19.71%
2024	\$ 364,592	\$ 364,592	\$ -	\$ 1,562,089	23.34%
2023	\$ 332,563	\$ 332,563	\$ -	\$ 1,421,208	23.40%
2022	\$ 291,547	\$ 291,547	\$ -	\$ 1,377,170	21.17%
2021	\$ 255,049	\$ 255,049	\$ -	\$ 1,275,257	20.00%
2020	\$ 248,095	\$ 248,095	\$ -	\$ 1,282,872	19.30%
2019	\$ 209,136	\$ 209,136	\$ -	\$ 1,242,280	16.83%
2018	\$ 181,410	\$ 181,410	\$ -	\$ 1,134,406	15.99%
2017	\$ 157,976	\$ 157,976	\$ -	\$ 1,037,534	15.23%
2016	\$ 129,141	\$ 129,141	\$ -	\$ 925,405	13.96%

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM - PENSION FUND
YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The assumed rate of inflation was decreased from 2.50% to 2.30%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ASSET) - MEDICAL INSURANCE PLAN
COUNTY EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2025

	District's proportion of net OPEB liability (asset)	District's proportionate share of the net OPEB liability (asset)	District's covered-employee payroll	District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.05%	\$ (78,242)	\$ 1,418,622	-5.52%	104.89%
2024	0.05%	\$ (65,076)	\$ 1,562,089	-4.17%	104.20%
2023	0.05%	\$ 935,268	\$ 1,421,208	65.81%	60.95%
2022	0.05%	\$ 990,632	\$ 1,377,170	71.93%	62.91%
2021	0.05%	\$ 1,201,398	\$ 1,275,287	94.21%	51.67%
2020	0.05%	\$ 855,207	\$ 1,282,872	66.66%	60.44%
2019	0.05%	\$ 889,942	\$ 1,242,280	71.64%	57.62%
2018	0.05%	\$ 934,829	\$ 1,134,406	82.41%	52.40%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
COUNTY EMPLOYEES RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered- employee payroll
2025	\$ -	\$ -	\$ -	\$ 1,418,622	0.00%
2024	\$ -	\$ -	\$ -	\$ 1,562,089	0.00%
2023	\$ 48,179	\$ 48,179	\$ -	\$ 1,421,208	3.39%
2022	\$ 79,600	\$ 79,600	\$ -	\$ 1,377,170	5.78%
2021	\$ 62,903	\$ 62,903	\$ -	\$ 1,322,145	4.76%
2020	\$ 60,695	\$ 60,695	\$ -	\$ 1,275,287	4.76%
2019	\$ 67,820	\$ 67,820	\$ -	\$ 1,282,872	5.29%
2018	\$ 58,883	\$ 58,883	\$ -	\$ 1,242,280	4.74%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN
YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The single discount rate changed from 5.93% to 5.99%.
Healthcare trend rates for Pre-65 decreased from 6.80% to 6.20%.
Healthcare trend rates for Post-65 increased from 8.50% to 9.00%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
KENTUCKY TEACHERS' RETIREMENT SYSTEM
June 30, 2025

	<u>State's proportion of net pension liability (asset)</u>	<u>State's proportionate share of the net pension liability (asset)</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2025	100%	\$ 31,587,303	60.36%
2024	100%	\$ 34,388,227	57.68%
2023	100%	\$ 34,533,077	56.41%
2022	100%	\$ 27,621,201	65.59%
2021	100%	\$ 34,951,247	58.27%
2020	100%	\$ 45,009,983	58.80%
2019	100%	\$ 59,663,968	59.30%
2018	100%	\$ 53,843,257	39.83%
2017	100%	\$ 26,545,242	35.22%
2016	100%	\$ 28,442,851	42.49%

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATE CONTRIBUTIONS
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)
2025	\$ 2,053,069	\$ 2,053,069	\$ -
2024	\$ 2,068,493	\$ 2,068,493	\$ -
2023	\$ 3,150,843	\$ 3,150,843	\$ -
2022	\$ 2,204,817	\$ 2,204,817	\$ -
2021	\$ 2,140,960	\$ 2,140,960	\$ -
2020	\$ 2,140,482	\$ 2,140,482	\$ -
2019	\$ 1,923,407	\$ 1,923,407	\$ -
2018	\$ 1,913,021	\$ 1,913,021	\$ -
2017	\$ 981,718	\$ 981,718	\$ -
2016	\$ 930,864	\$ 930,864	\$ -

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
KENTUCKY TEACHERS RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.66% to 3.94%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ASSET) - MEDICAL INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
JUNE 30, 2025

	District's proportion of net OPEB liability (asset)	District's proportionate share of the net OPEB liability (asset)	State's proportionate share of the net OPEB liability (asset)	District's covered-employee payroll	District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.10%	\$ 2,200,000	\$ 1,960,000	\$ 7,580,750	29.02%	47.12%
2024	0.11%	\$ 2,579,000	\$ 2,173,000	\$ 7,289,236	35.38%	52.97%
2023	0.15%	\$ 3,644,000	\$ 1,197,000	\$ 7,124,434	51.15%	47.75%
2022	0.11%	\$ 2,421,000	\$ 1,966,000	\$ 6,994,200	34.61%	51.74%
2021	0.11%	\$ 2,817,161	\$ 2,256,636	\$ 7,013,274	40.17%	39.05%
2020	0.11%	\$ 3,236,266	\$ 2,613,504	\$ 6,658,011	48.61%	32.58%
2019	0.10%	\$ 3,615,962	\$ 3,116,220	\$ 6,457,537	56.00%	25.50%
2018	0.10%	\$ 3,745,212	\$ 3,059,298	\$ 6,256,171	59.86%	21.18%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2025	\$ 227,423	\$ 227,423	\$ -	\$ 7,580,750	3.00%
2024	\$ 218,677	\$ 218,677	\$ -	\$ 7,289,236	3.00%
2023	\$ 213,733	\$ 213,733	\$ -	\$ 7,124,434	3.00%
2022	\$ 209,826	\$ 209,826	\$ -	\$ 6,994,200	3.00%
2021	\$ 210,298	\$ 210,298	\$ -	\$ 7,013,274	3.00%
2020	\$ 199,740	\$ 199,740	\$ -	\$ 6,658,011	3.00%
2019	\$ 193,726	\$ 193,726	\$ -	\$ 6,457,537	3.00%
2018	\$ 187,685	\$ 187,685	\$ -	\$ 6,256,171	3.00%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

KENTUCKY TEACHERS' RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN

YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.66% to 3.94%.

Health care cost trends decreased from 6.75% to 6.50%.

Health care cost trends for Medicare Part B Premiums increased from 1.55% to 5.92%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ASSET) - LIFE INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
JUNE 30, 2025

	State's proportion of net OPEB liability (asset)	State's proportionate share of the net OPEB liability (asset)	Plan fiduciary net position as a percentage of the total OPEB liability
2025	100%	\$ 45,000	80.56%
2024	100%	\$ 54,000	76.91%
2023	100%	\$ 60,000	73.97%
2022	100%	\$ 26,000	89.15%
2021	100%	\$ 68,247	71.57%
2020	100%	\$ 60,711	73.40%
2019	100%	\$ 53,453	75.00%
2018	100%	\$ 28,093	79.99%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATE CONTRIBUTIONS - LIFE INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)
2025	\$ 5,465	\$ 5,465	\$ -
2024	\$ 5,349	\$ 5,349	\$ -
2023	\$ 4,544	\$ 4,544	\$ -
2022	\$ 4,005	\$ 4,005	\$ -
2021	\$ 3,286	\$ 3,286	\$ -
2020	\$ 2,567	\$ 2,567	\$ -
2019	\$ 1,856	\$ 1,856	\$ -
2018	\$ 1,799	\$ 1,799	\$ -

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
KENTUCKY TEACHERS' RETIREMENT SYSTEM - LIFE INSURANCE PLAN
YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.66% to 3.94%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	District Activity Fund	Student Activity Fund	SEEK Capital Outlay Fund	Total Non-major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,134,322	\$ 188,061	\$ 295,479	\$ 2,617,862
Interfund receivable	-	-	-	-
Accounts receivable	680	-	-	680
Total assets	<u>\$ 2,135,002</u>	<u>\$ 188,061</u>	<u>\$ 295,479</u>	<u>\$ 2,618,542</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Interfund payable	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-
Advances from grantor	103,365	-	-	103,365
Total liabilities	<u>103,365</u>	<u>-</u>	<u>-</u>	<u>103,365</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	188,061	295,479	483,540
Assigned	2,031,637	-	-	2,031,637
Unassigned	-	-	-	-
Total fund balances	<u>2,031,637</u>	<u>188,061</u>	<u>295,479</u>	<u>2,515,177</u>
Total liabilities and fund balances	<u>\$ 2,135,002</u>	<u>\$ 188,061</u>	<u>\$ 295,479</u>	<u>\$ 2,618,542</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	District Activity Fund	Student Activity Fund	SEEK Capital Outlay Fund	Total Non-major Governmental Funds
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	9,913	9,913
Student activities	-	666,675	-	666,675
Student fees	110,863	-	-	110,863
Other local sources	166,201	49,179	-	215,380
Intergovernmental - State	-	-	148,412	148,412
Intergovernmental - Federal	-	-	-	-
Total revenues	277,064	715,854	158,325	1,151,243
Expenditures				
Instruction	117,968	694,835	-	812,803
District administration	-	-	-	-
Site improvement	-	-	-	-
Other	-	19,586	-	19,586
Debt service	-	-	-	-
Total expenditures	117,968	714,421	-	832,389
Other financing sources (uses)				
Transfers in	640,000	-	-	640,000
Transfers out	-	-	-	-
Total other financing sources (uses)	640,000	-	-	640,000
Net change in fund balance	799,096	1,433	158,325	958,854
Fund balance as of June 30, 2024	1,232,541	186,628	137,154	1,556,323
Fund balance as of June 30, 2025	\$ 2,031,637	\$ 188,061	\$ 295,479	\$ 2,515,177

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BEECHWOOD ELEMENTARY SCHOOL
YEAR ENDED JUNE 30, 2025

<u>School/ Activity Fund</u>	<u>Cash and Equivalents June 30, 2024</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Cash Equivalents June 30, 2025</u>	<u>Accounts Receivable June 30, 2025</u>	<u>Accounts Payable June 30, 2025</u>	<u>Balances June 30, 2025</u>
Beechwood Elementary	\$ 12,458	\$ 120,934	\$ 110,066	\$ 23,326	\$ -	\$ -	\$ 23,326
Totals	\$ 12,458	\$ 120,934	\$ 110,066	\$ 23,326	\$ -	\$ -	\$ 23,326

See accompanying independent auditor's report.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BEECHWOOD HIGH SCHOOL
YEAR ENDED JUNE 30, 2025

	Balances June 30, 2024	Receipts	Disbursements	Transfers in (out)	Cash and Cash Equivalents	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Balances June 30, 2025
General/Suspense	\$ 1,762	\$ 9,751	\$ 1,704	\$ (8,385)	\$ 1,424	\$ -	\$ -	\$ 1,424
Student support	6,302	10,614	15,986	12,614	13,544	-	-	13,544
Instructional field trips	1,415	19,241	20,847	191	-	-	-	-
Academic team	-	-	200	200	-	-	-	-
MS Academics	-	616	656	40	-	-	-	-
Art Club	6	-	-	-	6	-	-	6
Chess Club	11	-	-	(11)	-	-	-	-
FBLA	2,384	2,050	2,333	-	2,101	-	-	2,101
FCCLA	157	-	-	-	157	-	-	157
Educators Rising	65	750	840	25	-	-	-	-
GSA	85	-	-	-	85	-	-	85
Homecoming	584	3,150	2,558	-	1,176	-	-	1,176
Hosa	-	-	207	207	-	-	-	-
Kuna	4,889	-	-	(4,889)	-	-	-	-
Math Club (Mu Alpha Theta)	23	1,109	1,139	7	-	-	-	-
National Honor Society	1,692	7,774	7,621	-	1,845	-	-	1,845
National English honor Soci	-	540	242	-	298	-	-	298
Spanish Club	24	-	-	-	24	-	-	24
Forensics	1,618	11,539	11,738	-	1,419	-	-	1,419
TSA	365	-	365	-	-	-	-	-
Student Council	8,566	20,029	22,585	-	6,010	-	-	6,010
Theatre	9,454	28,201	37,476	-	179	-	-	179
Yearbook	8,196	8,555	5,231	-	11,520	-	-	11,520
Young Investor's Society	-	380	-	-	380	-	-	380
Veteran's Day	206	-	-	-	206	-	-	206
Athletics General	27,787	158,871	174,605	8,527	20,580	-	-	20,580
Start-up funding	-	4,000	4,000	-	-	-	-	-
Cheerleading	6,941	12,915	13,543	-	6,313	-	-	6,313
Boys Basketball	11,074	49,968	46,139	-	14,903	-	-	14,903
Girls Basketball	5,349	4,292	5,957	-	3,684	-	-	3,684
Baseball	10,186	19,064	22,024	-	7,226	-	-	7,226
Softball	5,667	11,265	9,473	-	7,459	-	-	7,459
Football	11,875	24,906	22,587	(7,450)	6,744	-	-	6,744
Boys Golf	3,269	7,868	8,344	(379)	2,414	-	-	2,414
Girls Golf	6,181	11,925	5,593	-	12,513	-	-	12,513

Continued on next page

See accompanying independent auditor's report.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BEECHWOOD HIGH SCHOOL

YEAR ENDED JUNE 30, 2025

	Balances June 30, 2024	Receipts	Disbursements	Transfers in (out)	Cash and Cash Equivalents	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Balances June 30, 2025
Boys Soccer	4,029	8,122	8,309	379	4,221	-	-	4,221
Girls Soccer	8,388	4,668	10,788	-	2,268	-	-	2,268
Boys Tennis	2,037	29	1,019	109	1,156	-	-	1,156
Girls Tennis	16	2,006	1,059	-	963	-	-	963
Track	1,627	12,378	12,353	215	1,867	-	-	1,867
Archery	-	10,920	5,605	-	5,315	-	-	5,315
Bowling	53	4,182	2,267	-	1,968	-	-	1,968
Swim Team	965	970	850	-	1,085	-	-	1,085
Unified Tigers	755	-	-	-	755	-	-	755
Volleyball	6,609	17,393	9,761	(1,400)	12,841	-	-	12,841
Cross Country	8,061	9,370	9,296	-	8,135	-	-	8,135
Band	-	70,756	70,756	-	-	-	-	-
Choir	5,479	20,147	23,674	-	1,952	-	-	1,952
Student Fees	19	-	19	-	-	-	-	-
Transportation fees	-	4,606	4,606	-	-	-	-	-
	<u>\$ 174,170</u>	<u>\$ 594,920</u>	<u>\$ 604,355</u>	<u>\$ -</u>	<u>\$ 164,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,735</u>

See accompanying independent auditor's report.



Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

**INDEPENDENT AUDITOR'S 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**

Kentucky State Committee for
School District Audits
Members of the Board of Education
Beechwood Independent School District
Fort Mitchell, 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, and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beechwood Independent School District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*. In addition, the results of our tests disclosed no instances of material noncompliance with specific state statutes or regulations identified in the *Independent Auditor's Contract – State Audit Requirements*.

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.

Cloyd & Associates, PSC

Cloyd & Associates, PSC

London, Kentucky
October 16, 2025

MANAGEMENT LETTER COMMENTS



Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

Members of the Board of Education
Beechwood Independent School District
Beechwood, Kentucky

In planning and performing our audit of the basic financial statements of Beechwood Independent School District for the year ended June 30, 2025, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control structure.

During our audit, if we noted any matters we feel need reporting that are opportunities for strengthening internal controls and operating efficiency, they will be included on the following pages. This letter does not affect our report thereon dated October 16, 2025, on the basic financial statements of Beechwood Independent School District.

Respectfully,

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
October 16, 2025



Prior Year Comments – School Activity Funds

Beechwood Elementary School

1. Several instances of invoices dated prior to the completed purchase order. All purchases need to be requisitioned and have a proper purchase order approved before the ordering and/or payment of an invoice.

Similar instances were identified in the current year. This is a repeat finding in the current year.

2. Several instances of invoices not being signed by the proper employee after payment of those invoices. Invoices that are paid need to have a signature on the actual invoice to ensure that invoices aren't paid twice and to allow others to be certain that the item was paid.

Similar instances were identified in the current year. This is a repeat finding in the current year.

3. Several instances of multiple receipt form not being signed by the student turning in money. Students who are 6th grade and above must sign the multiple receipt form as they turn in money.

No instances identified in the current year.

4. Several instances of multiple receipt form not being filled out properly. The multiple receipt form must include the grade of the students turning in money. The grade of the students turning in money was not included on several multiple receipt forms.

No instances identified in the current year.

Beechwood High School

1. Several instances of invoices not being signed by the proper employee after payment of those invoices. Invoices that are paid need to have a signature on the actual invoice to ensure that invoices aren't paid twice and to allow others to be certain that the item was paid.

No instances identified in the current year.

2. Several instances of multiple receipt form not being signed by the student turning in money. Students who are 6th grade and above must sign the multiple receipt form as they turn in money.

No instances identified in the current year.

3. Several instances of multiple receipt form not being filled out properly. The multiple receipt form must include the grade of the students turning in money. The grade of the students turning in money was not included on several multiple receipt forms.

No instances identified in the current year.

Current Year Comments – School Activity Funds

Beechwood Elementary School

1. Several instances of invoices dated prior to the completed purchase order. All purchases need to be requisitioned and have a proper purchase order approved before the ordering and/or payment of an invoice.

Management Response: Will continue to inform and reinforce teachers/sponsors that a PO needs to be opened and approved before a purchase. If this does not happen, an explanation is attached as to why proper procedure was not followed and will be signed by the employee and principal. There has not been an issue with the type and cost of purchases in these instances.

2. Several instances of invoices not being signed by the proper employee after payment of those invoices. Invoices that are paid need to have a signature on the actual invoice to ensure that invoices aren't paid twice and to allow others to be certain that the item was paid.

Management Response: Bookkeeper will make sure that the invoice is signed by the person receiving the goods or services. When that person is not available on campus for a signature, the bookkeeper will reach out and ask if the goods or services were received and if it is ok to pay the invoice. The emailed response will be attached to the invoice and the bookkeeper will sign and note ok to pay on the invoice. Every invoice that is paid is stamped Paid with the date and check number.

Beechwood High School

1. Several instances of invoices dated prior to the completed purchase order. All purchases need to be requisitioned and have a proper purchase order approved before the ordering and/or payment of an invoice.

Management Response: Will continue to inform and reinforce teachers/sponsors that a PO needs to be opened and approved before a purchase. If this does not happen, an explanation is attached as to why proper procedure was not followed and will be signed by the employee and principal. There has not been an issue with the type and cost of purchases in these instances.

2. Several instances of bank statements not being signed and dated. Bank statements must be signed and dated to indicate they have been properly reviewed.

Management Response: Bookkeeper will ensure that the bank statement is signed when the bank reconciliation is approved. There were a few months in FY 2025 where the principal approved the bank reconciliation but failed to sign the bank statement also.