

# **Bullitt County School District**

**Financial Statements  
With Supplementary Information  
Year Ended June 30, 2024  
With Independent Auditors' Report**

# BULLITT COUNTY SCHOOL DISTRICT

June 30, 2024

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June 30, 2024

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## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bullitt County School District as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Bullitt County School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bullitt County School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

**Independent Auditors' Report  
(Continued)**

**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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

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

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

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (unaudited), budgetary comparison and pension liability and OPEB liability and contributions information on pages 4-7, 50-52, and 61-70 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

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

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### Independent Auditors' Report (Continued)

#### Other Matters (Continued)

##### *Other Information (Continued)*

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

##### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2024 on our consideration of the Bullitt County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bullitt County School District's internal control over financial reporting and compliance.



Crestview Hills, Kentucky  
November 6, 2024

## BULLITT COUNTY SCHOOL DISTRICT

### Management's Discussion and Analysis (MD&A - Unaudited) Year Ended June 30, 2024

As management of the Bullitt County School District (District), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

#### FINANCIAL HIGHLIGHTS

##### Overview

- The ending cash balance for the District was \$98.2 million. The most significant cash balance was for the General Fund of \$36.2 million. The General Fund had \$29.2 million in cash at June 30, 2023.
- The General Fund had \$140.4 million in revenue, which primarily consisted of the state program (SEEK), state on-behalf payments, property, utilities, and motor vehicle taxes. Excluding interfund transfers, there were \$134.6 million in General Fund expenditures.

#### USING THIS ANNUAL REPORT

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

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

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

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

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

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

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



## BULLITT COUNTY SCHOOL DISTRICT

### Management's Discussion and Analysis (MD&A - Unaudited) (Continued) Year Ended June 30, 2024

#### FINANCIAL HIGHLIGHTS (Continued)

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

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

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

**BULLITT COUNTY SCHOOL DISTRICT**

**Management’s Discussion and Analysis (MD&A - Unaudited) (Continued)  
Year Ended June 30, 2024**

**DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position for the years ended June 30, 2024 and 2023**

The following is a summary of net position for the fiscal years ended June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Current assets	\$ 105,592,713	\$ 61,186,536
Noncurrent assets	<u>278,957,600</u>	<u>250,173,895</u>
Total assets	<u>384,550,313</u>	<u>311,360,431</u>
Deferred outflows	30,744,155	38,784,623
Current liabilities	22,624,831	19,143,047
Noncurrent liabilities	<u>271,141,870</u>	<u>249,024,591</u>
Total liabilities	<u>293,766,701</u>	<u>268,167,638</u>
Deferred inflows	<u>44,056,134</u>	<u>26,429,214</u>
Net position		
Investment in capital assets (net of debt)	53,538,566	82,047,092
Restricted	55,360,556	19,011,891
Unrestricted	<u>(31,427,489)</u>	<u>(45,510,781)</u>
Total net position	<u>\$ 77,471,633</u>	<u>\$ 55,548,202</u>

**Comments on General Fund Budget Comparisons**

- The District’s total revenues in the General Fund for the fiscal year ended June 30, 2024, were \$140,387,717, before inter-fund transfers and proceeds on disposal of fixed assets of \$1,832,555 and \$408,935, respectively.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$2,426,549 more than budget or approximately 1.73% of General Fund Budget.
- General Fund actual expenditures were \$134,604,501, net of inter-fund transfers of \$1,140,136.
- General Fund actual expenditures were less than budgeted expenditures by \$22,458,021.

**BULLITT COUNTY SCHOOL DISTRICT**

**Management’s Discussion and Analysis (MD&A - Unaudited) (Continued)**  
**Year Ended June 30, 2024**

**DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)**

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 1,887,721	\$ 1,535,339
Operating grants	<u>24,600,537</u>	<u>22,762,473</u>
Total grant revenues	<u>26,488,258</u>	<u>24,297,812</u>
General Revenues		
Taxes	82,574,345	74,916,096
Grants and entitlements	98,133,307	45,888,269
Earnings on investments	4,256,698	1,900,087
Other local sources (uses)	<u>(4,098,864)</u>	<u>20,177,632</u>
Total general revenues	<u>180,865,486</u>	<u>142,882,084</u>
Total revenues	<u>207,353,744</u>	<u>167,179,896</u>
<b>Expenses</b>		
Instructional	104,787,112	80,162,339
Student support services	6,616,156	6,644,529
Staff support	12,684,718	12,005,783
District administration	3,895,432	3,056,374
School administration	10,756,643	10,612,005
Business support	3,427,382	3,305,853
Plant operations	17,875,135	16,789,473
Student transportation	8,362,893	7,768,596
Food service operation	8,221,137	2,784,679
Day care	53,129	73,462
Community service	1,406,731	1,218,823
Other	688,769	-
Interest on long-term debt	<u>6,659,025</u>	<u>4,631,981</u>
Total expenses	<u>185,434,262</u>	<u>149,053,897</u>
Change in net position	<u>\$ 21,919,482</u>	<u>\$ 18,125,999</u>

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

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

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Net Position – District Wide  
As of June 30, 2024**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current:</b>			
Cash and cash equivalents	\$ 96,289,150	\$ 1,930,292	\$ 98,219,442
Accounts receivable	3,588,990	230,757	3,819,747
Interfund receivable	730,128	-	730,128
Prepaid expenses	2,762,469	-	2,762,469
Inventories for consumption	-	60,927	60,927
Total current	<u>103,370,737</u>	<u>2,221,976</u>	<u>105,592,713</u>
<b>Noncurrent:</b>			
Right of use assets	1,752,869	-	1,752,869
Less: accumulated amortization	(1,197,328)	-	(1,197,328)
Construction in progress	47,952,077	-	47,952,077
Nondepreciated capital assets:			
Land	8,619,769	-	8,619,769
Depreciated capital assets:			
Land improvements	1,147,979	-	1,147,979
Buildings and improvements	344,170,482	-	344,170,482
Furniture and equipment	19,543,461	4,468,016	24,011,477
Less: accumulated depreciation	<u>(143,543,696)</u>	<u>(3,956,029)</u>	<u>(147,499,725)</u>
Total noncurrent	<u>278,445,613</u>	<u>511,987</u>	<u>278,957,600</u>
Total assets	<u>381,816,350</u>	<u>2,733,963</u>	<u>384,550,313</u>
<b>Deferred outflows</b>			
Deferred loss from refunding bonds	359,464	-	359,464
Deferred outflows from pension and OPEB liabilities	<u>28,367,260</u>	<u>2,017,431</u>	<u>30,384,691</u>
Total deferred outflows	<u>28,726,724</u>	<u>2,017,431</u>	<u>30,744,155</u>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
<b>Current:</b>			
Current portion of bonds payable	11,790,000	-	11,790,000
Current portion of lease liability	312,082	-	312,082
Accounts payable	6,181,418	22,682	6,204,100
Accrued interest	2,362,261	-	2,362,261
Accrued sick and vacation leave	129,229	-	129,229
Unearned revenues	1,097,031	-	1,097,031
Interfund payable	730,128	-	730,128
Total current	<u>22,602,149</u>	<u>22,682</u>	<u>22,624,831</u>
<b>Noncurrent:</b>			
Accrued sick and vacation leave	1,163,060	-	1,163,060
Lease liability	262,157	-	262,157
MIF net OPEB liability - TRS	22,843,000	-	22,843,000
MIF net OPEB asset	(687,320)	(108,295)	(795,615)
CERS net pension liability	31,943,663	5,033,071	36,976,734
Bond obligations	<u>210,692,534</u>	<u>-</u>	<u>210,692,534</u>
Total noncurrent	<u>266,217,094</u>	<u>4,924,776</u>	<u>271,141,870</u>
Total liabilities	<u>288,819,243</u>	<u>4,947,458</u>	<u>293,766,701</u>
<b>Deferred inflows</b>	<u>40,436,966</u>	<u>3,619,168</u>	<u>44,056,134</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	53,026,579	511,987	53,538,566
Restricted	59,687,775	(4,327,219)	55,360,556
Unrestricted	<u>(31,427,489)</u>	<u>-</u>	<u>(31,427,489)</u>
Total net position	<u>\$ 81,286,865</u>	<u>\$ (3,815,232)</u>	<u>\$ 77,471,633</u>

The accompanying notes are an integral part of these financial statements

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Activities – District Wide  
For The Year Ended June 30, 2024**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Instructional	\$ 104,787,112	\$ 115,064	\$ 12,083,747	\$ -	\$ (92,588,301)	\$ -	\$ (92,588,301)
Student support services	6,616,156	-	506,309	-	(6,109,847)	-	(6,109,847)
Staff support services	12,684,718	-	2,552,508	-	(10,132,210)	-	(10,132,210)
District administration	3,895,432	-	270,969	-	(3,624,463)	-	(3,624,463)
School administration	10,756,643	-	442,704	-	(10,313,939)	-	(10,313,939)
Business support services	3,427,382	-	416,616	-	(3,010,766)	-	(3,010,766)
Plant operation and maintenance	17,875,135	-	43,508	-	(17,831,627)	-	(17,831,627)
Student transportation	8,362,893	-	115,128	-	(8,247,765)	-	(8,247,765)
Food service operations	53,129	-	53,129	-	-	-	-
Community service operations	1,406,731	-	1,169,316	-	(237,415)	-	(237,415)
Facility acquisition and construction	688,054	-	-	-	(688,054)	-	(688,054)
Other instructional	715	-	715	-	-	-	-
Interest on long-term debt	6,659,025	-	-	-	(6,659,025)	-	(6,659,025)
Total governmental activities	<u>177,213,125</u>	<u>115,064</u>	<u>17,654,649</u>	<u>-</u>	<u>(159,443,412)</u>	<u>-</u>	<u>(159,443,412)</u>
<b>Business-type activities</b>							
Food service	8,221,137	1,772,657	6,945,888	-	-	497,408	497,408
Total business-type activities	<u>8,221,137</u>	<u>1,772,657</u>	<u>6,945,888</u>	<u>-</u>	<u>-</u>	<u>497,408</u>	<u>497,408</u>
Total school district	<u>\$ 185,434,262</u>	<u>\$ 1,887,721</u>	<u>\$ 24,600,537</u>	<u>\$ -</u>	<u>(159,443,412)</u>	<u>497,408</u>	<u>(158,946,004)</u>
<b>General revenues:</b>							
					82,574,345	-	82,574,345
					98,133,307	-	98,133,307
					4,126,344	130,354	4,256,698
					(7,271,368)	-	(7,271,368)
					2,898,161	-	2,898,161
					64,870	-	64,870
					Special items:		
					210,017	(544)	209,473
					348,148	(348,148)	-
					<u>181,083,824</u>	<u>(218,338)</u>	<u>180,865,486</u>
					21,640,412	279,070	21,919,482
					59,646,453	(4,094,302)	55,552,151
					<u>\$ 81,286,865</u>	<u>\$ (3,815,232)</u>	<u>\$ 77,471,633</u>

The accompanying notes are an integral part of these financial statements

**BULLITT COUNTY SCHOOL DISTRICT**

**Balance Sheet – Governmental Funds  
As of June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
<b>Current:</b>					
Cash and cash equivalents	\$ 36,237,830	\$ -	\$ 56,927,798	\$ 3,123,522	\$ 96,289,150
Interfund receivable	730,128	-	-	-	730,128
Accounts receivable	949,898	2,631,436	-	7,656	3,588,990
Prepaid expenses	-	-	-	2,762,469	2,762,469
Total assets	<u>\$ 37,917,856</u>	<u>\$ 2,631,436</u>	<u>\$ 56,927,798</u>	<u>\$ 5,893,647</u>	<u>\$ 103,370,737</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
<b>Current:</b>					
Accounts payable	\$ 1,509,288	\$ 147,085	\$ 4,505,810	\$ 19,235	\$ 6,181,418
Unearned revenue	88,038	1,008,993	-	-	1,097,031
Interfund payable	-	730,128	-	-	730,128
Total liabilities	<u>1,597,326</u>	<u>1,886,206</u>	<u>4,505,810</u>	<u>19,235</u>	<u>8,008,577</u>
<b>Fund Balances</b>					
<b>Restricted:</b>					
Capital projects	-	-	52,421,988	-	52,421,988
Debt service	-	-	-	2,764,195	2,764,195
Grants	-	745,230	-	-	745,230
Other	-	-	-	3,110,217	3,110,217
<b>Committed:</b>					
Sick leave	646,145	-	-	-	646,145
<b>Assigned:</b>					
Other	3,348,404	-	-	-	3,348,404
Unassigned	<u>32,325,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,325,981</u>
Total fund balances	<u>36,320,530</u>	<u>745,230</u>	<u>52,421,988</u>	<u>5,874,412</u>	<u>95,362,160</u>
Total liabilities and fund balances	<u>\$ 37,917,856</u>	<u>\$ 2,631,436</u>	<u>\$ 56,927,798</u>	<u>\$ 5,893,647</u>	<u>\$ 103,370,737</u>

The accompanying notes are an integral part of these financial statements

**BULLITT COUNTY SCHOOL DISTRICT**

**Reconciliation of the Balance Sheet  
Governmental Funds to the Statement of Net Position  
As of June 30, 2024**

Total governmental fund balance		\$ 95,362,160
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of right of use assets	1,752,869	
Accumulated amortizaion	(1,197,328)	
Construction in process	47,952,077	
Cost of capital assets	373,481,691	
Accumulated depreciation	<u>(143,543,696)</u>	278,445,613
Deferred outflows related to CERS	5,218,971	
Deferred outflows for CERS contributions made after the measurement date	3,942,475	
Deferred outflows related to MIF	19,205,814	
Deferred outflows for bond refinancing	<u>359,464</u>	28,726,724
Deferred inflows related to CERS	(9,721,297)	
Deferred inflows related to MIF	<u>(30,715,669)</u>	(40,436,966)
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable		(216,860,000)
Bond discount		1,292,505
Bond premium		(6,915,039)
Lease liability		(574,239)
Accrued interest on bonds		(2,362,261)
Net pension liability		(31,943,663)
Net OPEB liability - CERS		687,320
Net OPEB liability - TRS MIF		(22,843,000)
Accrued sick leave		<u>(1,292,289)</u>
Total net position - governmental		<u>\$ 81,286,865</u>

The accompanying notes are an integral part of these financial statements

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds  
For The Year Ended June 30, 2024**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Construction Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Taxes	\$ 66,561,070	\$ 166,996	\$ -	\$ 15,846,279	\$ 82,574,345
Earnings on investments	2,078,812	22,145	1,965,568	59,819	4,126,344
State sources	70,650,179	5,296,189	-	4,656,779	80,603,147
Federal sources	651,950	11,454,957	-	-	12,106,907
Other local sources	445,706	903,503	-	2,963,031	4,312,240
<b>Total revenues</b>	<b>140,387,717</b>	<b>17,843,790</b>	<b>1,965,568</b>	<b>23,525,908</b>	<b>183,722,983</b>
<b>Expenditures</b>					
Instructional	83,500,051	11,968,752	-	2,202,429	97,671,232
Student support services	5,994,582	506,309	-	13,730	6,514,621
Staff support services	9,985,651	2,552,508	-	129,959	12,668,118
District administration	3,479,782	270,969	-	-	3,750,751
School administration	10,247,717	442,704	-	-	10,690,421
Business support services	3,010,766	416,616	-	-	3,427,382
Plant operation and maintenance	10,367,750	43,508	-	-	10,411,258
Student transportation	8,016,078	115,128	-	131,001	8,262,207
Food service operation	-	53,129	-	-	53,129
Community service operations	2,124	1,169,316	-	235,291	1,406,731
Facility acquisition and construction	-	-	37,831,299	-	37,831,299
Other instructional	-	715	-	-	715
Debt service:					
Principal	-	-	-	11,085,000	11,085,000
Interest	-	-	-	5,453,750	5,453,750
<b>Total expenditures</b>	<b>134,604,501</b>	<b>17,539,654</b>	<b>37,831,299</b>	<b>19,251,160</b>	<b>209,226,614</b>
Excess (deficit) of revenues over expenditures	5,783,216	304,136	(35,865,731)	4,274,748	(25,503,631)
<b>Other financing sources (uses)</b>					
Proceeds from sale of bonds	-	-	63,340,000	-	63,340,000
Bond premium	-	-	4,604,600	-	4,604,600
Bond discount	-	-	(204,046)	-	(204,046)
Finance lease proceeds	-	-	-	-	-
Proceeds on disposal of fixed assets	408,935	-	-	-	408,935
Other items	-	-	-	-	-
Operating transfers in	1,832,555	546,770	7,055,153	16,226,257	25,660,735
Operating transfers out	(1,140,136)	(486,226)	-	(23,686,225)	(25,312,587)
<b>Total other financing sources (uses)</b>	<b>1,101,354</b>	<b>60,544</b>	<b>74,795,707</b>	<b>(7,459,968)</b>	<b>68,497,637</b>
Net change in fund balance	6,884,570	364,680	38,929,976	(3,185,220)	42,994,006
Fund balance, July 1, 2023	29,435,960	380,550	13,492,012	9,059,632	52,368,154
Fund balance, June 30, 2024	\$ 36,320,530	\$ 745,230	\$ 52,421,988	\$ 5,874,412	\$ 95,362,160

The accompanying notes are an integral part of these financial statements



**BULLITT COUNTY SCHOOL DISTRICT**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For The Year Ended June 30, 2024**

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

Net changes-governmental funds		\$ 42,994,006
<p>Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.</p>		
Depreciation expense	(8,596,004)	
Capital outlays	37,993,522	
Retirement of capital assets	<u>(198,918)</u>	
		29,198,600
<p>Bond and finance lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>		
Bond principal paid		11,085,000
Bond proceeds		(63,340,000)
Bond premium		(4,604,600)
Bond discount		204,046
Amortization of bond discount and premium, net		118,542
Deferred outflows related to pensions		(681,883)
Deferred outflows related to other post-retirement employee benefits		(6,771,758)
Deferred outflows related to bond refundings		(266,911)
Deferred inflows related to pensions		(4,763,897)
Deferred inflows related to other post-retirement employee benefits		(10,860,302)
<p>Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>		
		<u>29,329,569</u>
Changes in net position of governmental activities		<u>\$ 21,640,412</u>

The accompanying notes are an integral part of these financial statements

**BULLITT COUNTY SCHOOL DISTRICT**  
**Statement of Net Position – Proprietary Funds**  
**As of June 30, 2024**

	<b>Food Service</b>	<b>Total</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,930,292	\$ 1,930,292
Accounts receivable	230,757	230,757
Inventories for consumption	60,927	60,927
Total current	2,221,976	2,221,976
<b>Noncurrent</b>		
Furniture and Fixtures	4,468,016	4,468,016
Less: accumulated depreciation	(3,956,029)	(3,956,029)
Total noncurrent	511,987	511,987
Total assets	2,733,963	2,733,963
<b>Deferred outflows</b>	2,017,431	2,017,431
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable	22,682	22,682
Total current	22,682	22,682
<b>Noncurrent</b>		
MIF net OPEB asset	(108,295)	(108,295)
CERS net pension liability	5,033,071	5,033,071
Total noncurrent	4,924,776	4,924,776
Total liabilities	4,947,458	4,947,458
<b>Deferred inflows</b>	3,619,168	3,619,168
<b>Net Position</b>		
Invested in assets, net of debt	511,987	511,987
Restricted	(4,327,219)	(4,327,219)
Total net position	\$ (3,815,232)	\$ (3,815,232)

The accompanying notes are an integral part of these financial statements

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenses, and Changes in Net Position –  
Proprietary Funds  
For The Year Ended June 30, 2024**

	<u>Food Service</u>	<u>Total</u>
<b>Operating revenues</b>		
Lunchroom sales	\$ 1,764,687	\$ 1,764,687
Other operating revenues	7,970	7,970
Total operating revenues	<u>1,772,657</u>	<u>1,772,657</u>
<b>Operating expenses</b>		
Salaries and benefits	3,504,943 <span style="color: red;">▼</span>	3,504,943
Contract services	224,723	224,723
Materials and supplies	4,153,915	4,153,915
Depreciation	94,459	94,459
Other operating expenses	243,097	243,097
Total operating expenses	<u>8,221,137</u>	<u>8,221,137</u>
Operating income (loss)	<u>(6,448,480)</u>	<u>(6,448,480)</u>
<b>Nonoperating revenues (expenses)</b>		
Federal grants	5,958,510	5,958,510
State grants	564,882	564,882
Donated commodities and other donations	422,496	422,496
Loss on sale of assets	(544)	(544)
Transfers out	(348,148)	(348,148)
Interest income	130,354	130,354
Total nonoperating revenues	<u>6,727,550</u>	<u>6,727,550</u>
Change in net position	279,070	279,070
Total net position, July 1, 2023	<u>(4,094,302)</u>	<u>(4,094,302)</u>
Total net position, June 30, 2024	<u><u>\$ (3,815,232)</u></u>	<u><u>\$ (3,815,232)</u></u>

The accompanying notes are an integral part of these financial statements

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Cash Flows – Proprietary Funds  
For The Year Ended June 30, 2024**

	<b>Food Service Fund</b>	<b>Total</b>
<b>Cash flows from operating activities</b>		
Cash received from lunchroom sales	\$ 1,764,687	\$ 1,764,687
Cash used in other activities	(222,720)	(222,720)
Cash payments to employees for services	(4,051,861)	(4,051,861)
Cash payments to suppliers for goods and services	(4,636,050)	(4,636,050)
Cash transfers	<u>(348,148)</u>	<u>(348,148)</u>
Net cash used in operating activities	<u>(7,494,092)</u>	<u>(7,494,092)</u>
<b>Cash flows from capital financing activities</b>		
Loss on capital assets	(544)	(544)
Purchase of capital assets	<u>(131,267)</u>	<u>(131,267)</u>
Net cash used in capital financing activities	<u>(131,811)</u>	<u>(131,811)</u>
<b>Cash flows from noncapital financing activities</b>		
Non-operating revenues received	<u>6,945,888</u>	<u>6,945,888</u>
Net cash provided by noncapital financing activities	<u>6,945,888</u>	<u>6,945,888</u>
<b>Cash flows from investing activities</b>		
Interest on investments	<u>130,354</u>	<u>130,354</u>
Net cash provided by investing activities	<u>130,354</u>	<u>130,354</u>
Net increase in cash and cash equivalents	(549,661)	(549,661)
Cash and cash equivalents - beginning	<u>2,479,953</u>	<u>2,479,953</u>
Cash and cash equivalents - ending	<u>\$ 1,930,292</u>	<u>\$ 1,930,292</u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>		
Operating loss	\$ (6,448,480)	\$ (6,448,480)
<b>Adjustments to reconcile operating loss to net cash used in operating activities</b>		
Depreciation	94,459	94,459
Transfers	(348,148)	(348,148)
Changes in assets and liabilities:		
Increase in accounts receivable	(230,690)	(230,690)
Decrease in accounts payable	(1,787)	(1,787)
Decrease in deferred outflows	319,916	319,916
Increase in deferred inflows	2,002,721	2,002,721
Decrease in MIF net OPEB liability	(1,779,586)	(1,779,586)
Decrease in CERS net pension liability	(1,089,969)	(1,089,969)
Increase in inventories	<u>(14,175)</u>	<u>(14,175)</u>
Net cash used in operating activities	<u>\$ (7,494,092)</u>	<u>\$ (7,494,092)</u>
<b>Schedule of non-cash transactions:</b>		
Donated commodities received from federal government	<u>\$ 422,496</u>	<u>\$ 422,496</u>
On behalf payments	<u>\$ 510,163</u>	<u>\$ 510,163</u>

The accompanying notes are an integral part of these financial statements

## BULLITT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### ***Reporting Entity***

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

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

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

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

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

##### ***Basis of Presentation***

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

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

## BULLITT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Basis of Presentation (Continued)*

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

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

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

The District has the following funds:

##### I. Governmental Fund Types

- (A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.
- (B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the schedule of expenditures of federal awards included in this report on pages 71-72. This is a major fund of the District.
- (C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

## BULLITT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Basis of Presentation (Continued)*

##### I. Governmental Fund Types (continued)

- (D) The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds
- (E) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).
  1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.
  2. The Facility Support Program of Kentucky Fund (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.
  3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$52,421,988 for ongoing projects. This is a major fund of the District.

##### II. Debt Service Fund

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

##### III. Proprietary Fund (Enterprise Fund)

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

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

##### ***Basis of Accounting***

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

## BULLITT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### ***Basis of Accounting (Continued)***

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

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

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

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

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

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

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

##### ***Taxes***

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

##### ***Budgetary Process***

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



## BULLITT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### ***Budgetary Process (Continued)***

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

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

##### ***Cash and Cash Equivalents***

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

##### ***Inventories***

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

##### ***Prepaid Items***

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

##### ***Capital Assets***

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

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

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Capital Assets (Continued)***

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

***Accumulated Unpaid Sick and Vacation Leave Benefits***

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

***Interfund Balances***

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

***Accrued Liabilities and Long-Term Obligations***

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

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

## BULLITT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### ***Fund Balance Reserves***

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

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

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

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

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

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

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

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

##### ***Net Position***

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

##### ***Operating Revenues and Expenses***

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Interfund Activity***

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

***Pensions***

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

***Postemployment Benefits Other than Pensions (OPEB)***

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

***Leases***

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

**NOTE 2 ESTIMATES**

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 3 CONCENTRATION OF CREDIT RISK**

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

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>
Land	\$ 8,619,769	\$ -	\$ -	\$ 8,619,769
Land improvements	1,147,979	-	-	1,147,979
Buildings and improvements	321,640,483	22,529,999	-	344,170,482
Technology equipment	12,026,302	56,189	6,835,249	5,247,242
Vehicles	13,372,365	487,147	1,827,891	12,031,621
General equipment	2,271,445	306,941	313,788	2,264,598
Construction work in progress	33,338,831	37,135,345	22,522,099	47,952,077
Totals at historical cost	<u>392,417,174</u>	<u>60,515,621</u>	<u>31,499,027</u>	<u>421,433,768</u>
Less: accumulated depreciation				
Land improvements	349,177	57,399	-	406,576
Buildings and improvements	120,562,229	7,234,168	-	127,796,397
Technology equipment	11,096,387	396,706	6,821,462	4,671,631
Vehicles	10,182,793	787,496	1,692,385	9,277,904
General equipment	1,535,116	120,235	264,163	1,391,188
Total accumulated depreciation	<u>143,725,702</u>	<u>8,596,004</u>	<u>8,778,010</u>	<u>143,543,696</u>
Governmental activities capital assets - net	<u>\$ 248,691,472</u>	<u>\$ 51,919,617</u>	<u>\$ 22,721,017</u>	<u>\$ 277,890,072</u>
 <u>Business - Type Activities</u>				
General equipment	\$ 4,401,038	\$ 131,267	\$ 94,008	\$ 4,438,297
Technology equipment	42,044	-	12,325	29,719
Totals at historical cost	<u>4,443,082</u>	<u>131,267</u>	<u>106,333</u>	<u>4,468,016</u>
Less: accumulated depreciation				
General equipment	3,924,212	94,459	92,361	3,926,310
Technology equipment	42,044	-	12,325	29,719
Total accumulated depreciation	<u>3,966,256</u>	<u>94,459</u>	<u>104,686</u>	<u>3,956,029</u>
Business - type activities capital assets - net	<u>\$ 476,826</u>	<u>\$ 36,808</u>	<u>\$ 1,647</u>	<u>\$ 511,987</u>

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Depreciation expense by function for the fiscal year ended June 30, 2024 was as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Instruction	\$ 215,256	\$ -
Student support services	101,535	-
Staff support services	16,600	-
District administration	144,681	-
School administration	66,222	-
Plant operation and maintenance	7,463,877	-
Food service	-	94,459
Student transportation	587,833	-
Total	<u>\$ 8,596,004</u>	<u>\$ 94,459</u>

**NOTE 5 ACCUMULATED UNPAID SICK AND VACATION LEAVE BENEFITS**

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2024, this amount totaled approximately \$1,292,289 for those employees with twenty-seven or more years of experience.

**NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT**

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

<u>Issue Date</u>	<u>Proceeds</u>	<u>Rates</u>
March 1, 2012	\$ 13,355,000	2.50% - 3.75%
December 1, 2012	23,675,000	2.00% - 2.125%
July 1, 2014	48,595,000	5.50% - 5.00%
October 1, 2015	20,370,000	2.00% - 3.375%
January 1, 2016	7,890,000	2.00% - 3.00%
June 1, 2017	16,945,000	2.00% - 5.00%
October 1, 2017	14,110,000	3.00% - 5.00%
June 1, 2018	9,775,000	2.00% - 4.00%
December 29, 2020	19,830,000	1.625% - 4.00%
September 16, 2021	24,410,000	2.00% - 2.50%
March 28, 2023	15,560,000	4.00% - 4.125%
August 9, 2023	26,120,000	4.00 - 5.00%
February 7, 2024	37,220,000	4.00 - 5.00%

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 6 LEASE OBLIGATIONS AND BONDED DEBT (CONTINUED)**

The District entered into "participation agreements" for certain bonds with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 17 sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2024 for debt service (principal and interest) are reported in Note 17.

**NOTE 7 LEASES**

The District has lease agreements computers that expire at various times between July 2024 and July 2026. Total annual payments of \$365,371 are required. There are no variable payments within the lease agreements.

The District also has a lease agreements for office equipment that expire at various times between July 2024 and July 2026. Monthly payments of \$9,487 and quarterly payments of \$907 are required. Variable payments associated with these leases was \$58,246 during the year ended June 30, 2024.

An interest rate of 3.0% was utilized to calculate the lease liability.

The following table shows the District's change in lease accounts for the year ended June 30, 2024:

Governmental Activities	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
ROU Asset	\$ 3,019,378	\$ -	\$ 1,266,509	\$ 1,752,869
ROU Accum. Amort.	\$ 2,013,781	450,056	1,266,509	\$ 1,197,328
Lease liability	\$ 1,026,788	-	452,549	\$ 574,239

Future minimum payments related to lease liabilities are shown below:

	Principal	Interest	Total
FY2025	\$ 312,082	\$ 15,744	\$ 327,826
FY2026	177,006	6,336	183,342
FY2027	85,151	1,073	86,224
	<u>\$ 574,239</u>	<u>\$ 23,153</u>	<u>\$ 597,392</u>

During the year ended June 30, 2024, the District entered into long-term lease agreements for computers beginning August 1, 2024. The leases require payments of \$429,498 for the years ending June 30, 2025 through June 30, 2027 and \$92,268 for the year ending June 30, 2028. The asset and liability are not recorded as of June 30, 2024 as the District does not have control of these assets at year-end.

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 8 RETIREMENT PLANS**

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

**General information about the County Employees Retirement System Non-Hazardous**

***Plan description***

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

***Benefits provided***

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

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

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



**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

***Contributions***

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

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

The contribution requirement for CERS for the year ended June 30, 2024, was \$5,640,690, which consisted of \$4,563,654 from the District and \$1,077,036 from the employees. Total contributions for the year ended June 30, 2023 and 2022 were \$5,573,497 and \$3,593,128, respectively. The contributions have been contributed in full for fiscal years 2024, 2023 and 2022.

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

***Plan description***

Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through the Teachers' Retirement System of the State of Kentucky—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS is a blended component unit of the Commonwealth of Kentucky Revised Statues and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <http://www.trs.ky.gov/employers/gasb-65-67/>.

***Benefits provided***

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

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

## BULLITT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 8 RETIREMENT PLANS (CONTINUED)

##### *Benefits provided (Continued)*

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. New employees hired after July 1, 2008 but before December 31, 2021 who retire with less than ten years will receive monthly benefits equal to 1.7% of their final average salary for each year of service. New employees hired between July 1, 2008 and December 31, 2021 with between 10 to 20 years of service will receive monthly benefits equal to 2% of their final average salary for each year of service. New employees hired between July 1, 2008 and December 31, 2021 with between 20 to 26 years of service will receive monthly benefits equal to 2.3% of their final average salary for each year of service. Lastly, new employees hired between July 1, 2008 and December 31, 2021 with between 26 to 30 years of service will receive monthly benefits equal to 2.5% of their final average salary for each year of service. Effective January 1, 2022, the System has been amended to change the benefit structure for employees hired on or after that date.

Final average salary is defined as the member's five (5) highest annual salaries for those with less than 27 years of service. Employees at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. TRS also provides disability benefits for vested employees at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

Cost of living increases are one and one-half (1.5) percent annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

Contributions—Contribution rates are established by Kentucky Revised Statutes. Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to TRS. The contribution requirement for TRS for the year ended June 30, 2024 was \$11,566,496 which consisted of \$2,787,373 from the District and \$8,779,123 from the employees. Total contributions for the year ended June 30, 2023 and 2022 were \$11,168,890 and \$7,173,157, respectively. The contributions have been contributed in full for fiscal years 2024, 2023 and 2022.

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Medical Insurance Plan**

***Plan description***

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

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

***Funding policy***

In order to fund the post-retirement healthcare benefit, 6.59% of the gross annual payroll of members is contributed. Member contributions are 3.75% and 0.16% is paid from state appropriate. Employer contributions are 3.00% Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability	\$ 36,976,734
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>305,774,569</u>
	<u>\$342,751,303</u>

The net pension liability for each plan was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2023, the District's proportion was 0.576275%.

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

For the year ended June 30, 2024, the District recognized a reduction of pension expense of \$4,133,670 related to CERS. The District also recognized expense of \$22,221,789 and revenue of \$22,221,789 for TRS support provided by the Commonwealth due to a change in assumptions. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,914,214	\$ 100,476
Net difference between projected and actual earnings on pension plan investments	3,994,535	4,498,917
Changes of assumptions	-	3,388,943
Changes in proportion and differences between employer contributions and proportionate share of contributions	132,528	3,264,657
District contributions subsequent to the measurement date	<u>4,563,654</u>	<u>-</u>
Total	<u>\$ 10,604,931</u>	<u>\$ 11,252,993</u>

\$4,563,654 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (2,797,769)
2026	(2,881,448)
2027	825,470
2028	(357,969)
2029	-

***Actuarial assumptions***

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>TRS</u>
Inflation	2.30%	2.50%
Projected salary increases	3.3 - 10.3%	3.0 - 7.5%
Investment rate of return, net of investment expense and inflation	6.50%	7.10%

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

***Actuarial assumptions (Continued)***

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

For TRS, mortality rates were based on Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each groups: service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 6-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2018 through 2022, is outlined in a report dated May 9, 2023. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<u>Asset Class</u>	<u>TRS Target Allocation</u>	<u>TRS Long-Term Expected Real Rate of Return</u>	<u>CERS Target Allocation</u>	<u>CERS Long-Term Expected Real Rate of Return</u>
US equity	38.0%	5.25%	50.0%	5.90%
Developed international equity	15.7%	5.50%		
Emerging markets equity	5.3%	6.10%		
Private equity	7.0%	8.00%	10.0%	11.73%
Core bonds			10.0%	2.45%
Fixed income	15.0%	1.90%		
Specialty credit			10.0%	3.65%
High yield	5.0%	3.80%		
Additional categories	5.0%	3.60%		
Real estate	7.0%	3.20%	7.0%	4.99%
Real return			13.0%	5.15%
Cash	2.0%	1.60%	0.0%	1.39%
Total	<u>100%</u>		<u>100%</u>	

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

***Discount rate***

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

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	\$ 46,685,361	\$ 36,976,734	\$ 28,908,500
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

***Pension plan fiduciary net position***

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

**NOTE 9 OPEB PLANS**

**General information about the Teachers' Retirement System OPEB Plan**

***Plan description***

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

## BULLITT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 9 OPEB PLANS (CONTINUED)

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

##### **Medical Insurance Plan**

###### ***Plan description***

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

###### ***Benefits provided***

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

###### ***Contributions***

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

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

###### ***Plan description***

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 9 OPEB PLANS (CONTINUED)**

***Benefits provided***

CERS provides health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date. See Note 8 for tier classifications.

***Contributions***

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

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

At June 30, 2024, the Bullitt County Schools District reported a liability of \$22,047,385 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.94 percent for TRS, which was a decrease of 0.39 percent from its proportion measured as of June 30, 2022. At June 30, 2023, the District's proportion was 0.58 percent for CERS, which was a decrease of 0.07 percent from its proportion measured as of June 30, 2022.

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

District's proportionate share of the CERS net OPEB liability (asset)	\$ (795,615)
District's proportionate share of the TRS net OPEB liability	22,843,000
State's proportionate share of the net OPEB liability associated with the District	<u>19,254,000</u>
	<u>\$ 41,301,385</u>



**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 9 OPEB PLANS (CONTINUED)**

For the year ended June 30, 2024, the District recognized reduction of OPEB expense of \$11,626,551 and revenue of \$1,497,864 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 554,664	\$ 19,038,936
Net difference between projected and actual earnings on OPEB plan investments	1,915,962	1,673,610
Change of assumptions	6,758,715	1,091,146
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,206,221	10,999,449
District contributions subsequent to the measurement date	<u>2,344,198</u>	<u>-</u>
Total	<u>\$ 19,779,760</u>	<u>\$ 32,803,141</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$2,344,198 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:	
2025	\$ (4,127,001)
2026	(4,614,574)
2027	(2,442,572)
2028	(2,371,432)
2029	(853,000)
Thereafter	(959,000)

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 9 OPEB PLANS (CONTINUED)**

***Actuarial assumptions***

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	CERS
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.00 - 7.50%, including wage inflation	3.30% to 10.30%, varies by service
Inflation rate	2.50%	2.30%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Under 65	6.75% for FY 2023 decreasing to an ultimate rate of 4.50% by FY 2032	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Ages 65 and Older		Initial trend starting at 6.30% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Medicare Part B Premiums	1.55% for FY 2023 with an ultimate rate of 4.50% by 2034	
Municipal Bond Index Rate	3.66%	3.86%
Discount Rate	7.10%	5.93%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation	

For TRS, mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2023 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

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

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation.

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 9 OPEB PLANS (CONTINUED)**

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Large Cap U.S. Equity	35.4%	5.0%
Small Cap U.S. Equity	2.6%	5.5%
Developed Internation Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	9.0%	1.9%
High Yield Bonds	8.0%	3.8%
Other Additional Categories	9.0%	3.7%
Real Estate	6.5%	3.2%
Private Equity	8.5%	8.0%
Cash	1.0%	1.6%
Total	<u>100.0%</u>	

***Discount rate***

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

For CERS, the discount rate used to measure the total OPEB liability was 5.93%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 9 OPEB PLANS (CONTINUED)**

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

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
TRS			
Districts' net OPEB liability	\$ 29,381,000	\$ 22,843,000	\$ 17,440,000
	<u>1% Decrease (4.93%)</u>	<u>Current Discount Rate (5.93%)</u>	<u>1% Increase (6.93%)</u>
CERS			
Districts' net OPEB liability (asset)	\$ 1,493,064	\$ (795,615)	\$ (2,712,104)

***Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates***

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
TRS			
Districts' net OPEB liability	\$ 16,445,000	\$ 22,843,000	\$ 30,810,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability (asset)	\$ (2,550,084)	\$ (795,615)	\$ 1,359,586

***OPEB plan fiduciary net position***

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

**Life Insurance Plan**

***Plan description***

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 9 OPEB PLANS (CONTINUED)**

***Benefits provided***

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

***Contributions***

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

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

At June 30, 2024, the Bullitt School County District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>477,000</u>
	<u><u>\$ 477,000</u></u>

For the year ended June 30, 2024, the District recognized OPEB expense of \$-0- and revenue of \$47,390 for support provided by the State.

***Actuarial assumptions***

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including wage inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.66%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 9 OPEB PLANS (CONTINUED)**

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2023 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation.

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity	40.0%	5.2%
International Equity	20.0%	5.8%
Fixed Income	21.0%	1.9%
Real Estate	7.0%	3.2%
Private Equity	5.0%	8.0%
Other Additional Categories	5.0%	4.0%
Cash (LIBOR)	2.0%	1.6%
Total	<u>100.0%</u>	

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 9 OPEB PLANS (CONTINUED)**

***Discount rate***

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

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

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

***OPEB plan fiduciary net position***

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

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

The District receives funding from federal, state, and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. The collectability of any related receivables as of June 30, 2024 may be impaired. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue the programs.

**NOTE 11 INSURANCE AND RELATED ACTIVITIES**

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 12 RISK MANAGEMENT**

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

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

**NOTE 13 DEFICIT OPERATING/FUND BALANCES**

The District's Food Service Fund currently has a deficit fund balance of \$3,815,232. The following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Building Fund	\$ 3,832,782
District Activity Fund	132,720

**NOTE 14 COBRA**

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



**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 15 TRANSFER OF FUNDS**

The following transfers were made during the year.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Special Revenue	Technology Match	\$ 252,742
General	Debt Service	Debt Service	886,644
General	District Activity	District Activity	750
School Activity	Special Revenue	Special Revenue	294,028
School Activity	District Activity	School Activity	401,224
Capital Outlay	Construction	Construction	762,829
Food Service	General	Indirect Costs	348,148
Building	Construction	Construction	6,292,324
Building	Debt Service	Debt Service	14,937,639
Building	General	Cap Funds Request	998,181
Special Revenue	General	Indirect Costs	485,075
Special Revenue	General	Special Revenue	1,151

**NOTE 16 ON-BEHALF PAYMENTS**

For the year ended June 30, 2024 total payments of \$35,088,228 were made for life insurance, health insurance, TRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

General Fund	\$ 33,677,415
Debt Service	900,650
Food Service	<u>510,163</u>
Total On-Behalf	<u><u>\$ 35,088,228</u></u>

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 17 SCHEDULE OF LONG-TERM OBLIGATIONS**

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

FISCAL YEAR	BULLITT COUNTY SCHOOL DISTRICT			KY SCHOOL FACILITIES CONSTRUCTION COMMISSION			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2024-2025	\$ 11,093,619	\$ 7,155,288	\$ 18,248,907	\$ 696,381	\$ 74,812	\$ 771,193	\$ 19,020,100
2025-2026	11,452,261	6,659,642	18,111,903	712,739	70,300	783,039	18,894,942
2026-2027	11,874,943	6,100,900	17,975,843	730,057	65,530	795,587	18,771,430
2027-2028	12,286,228	5,342,956	17,629,184	748,772	60,270	809,042	18,438,226
2028-2029	12,751,521	5,010,448	17,761,969	768,479	55,126	823,605	18,585,574
2029-2030	13,220,567	4,788,938	18,009,505	784,433	50,478	834,911	18,844,416
2030-2031	11,758,732	4,556,679	16,315,411	791,268	46,871	838,139	17,153,550
2031-2032	12,149,280	4,250,444	16,399,724	810,720	43,910	854,630	17,254,354
2032-2033	12,559,302	3,938,789	16,498,091	830,698	40,988	871,686	17,369,777
2033-2034	12,979,965	3,637,857	16,617,822	760,035	38,271	798,306	17,416,128
2034-2035	11,740,962	3,232,351	14,973,313	424,038	34,345	458,383	15,431,696
2035-2036	12,275,104	2,652,286	14,927,390	404,896	28,788	433,684	15,361,074
2036-2037	12,844,224	2,200,535	15,044,759	285,776	24,671	310,447	15,355,206
2037-2038	13,415,758	1,767,755	15,183,513	264,242	20,550	284,792	15,468,305
2038-2039	10,063,937	1,359,337	11,423,274	176,063	16,232	192,295	11,615,569
2039-2040	10,484,497	918,831	11,403,328	180,503	11,791	192,294	11,595,622
2040-2041	4,525,701	495,668	5,021,369	159,299	7,483	166,782	5,188,151
2041-2042	4,636,671	383,941	5,020,612	48,329	4,459	52,788	5,073,400
2042-2043	4,819,697	198,314	5,018,011	50,303	2,486	52,789	5,070,800
2043-2044	263,007	5,260	268,267	36,993	739	37,732	305,999
	<u>\$ 207,195,976</u>	<u>\$ 64,656,219</u>	<u>\$271,852,195</u>	<u>\$ 9,664,024</u>	<u>\$ 698,100</u>	<u>\$ 10,362,124</u>	<u>\$ 282,214,319</u>

A summary of the changes in the principal of the outstanding bond obligations for the District during the year ended June 30, 2024 is as follows:

Governmental Activities	Balance July 1, 2023	Additions	Payments	Balance June 30, 2024
Bond Obligations	<u>\$ 164,605,000</u>	<u>\$ 63,340,000</u>	<u>\$ 11,085,000</u>	<u>\$ 216,860,000</u>
Bond premiums	<u>2,585,578</u>	<u>4,604,600</u>	<u>275,139</u>	<u>6,915,039</u>
Bond discounts	<u>1,245,056</u>	<u>204,046</u>	<u>156,597</u>	<u>1,292,505</u>
Sick Leave	<u>1,309,547</u>	<u>270,396</u>	<u>287,654</u>	<u>1,292,289</u>

**BULLITT COUNTY SCHOOL DISTRICT**

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

**NOTE 18 TAX ABATEMENTS**

The District entered into a property tax abatement agreement with a local distillery. For the fiscal year ended June 30, 2024, the District abated property taxes totaling \$869,744 under the property tax abatement agreement. The distillery has agreed to pay the District in-lieu of payments beginning on January 1, 2018 and continuing annually for so long as the property tax abatement agreement is in place. The amount received during the year ended June 30, 2024 was \$75,000. The distillery will make annual in-lieu of payments as follows:

<u>Year Ending June 30,</u>	
2025	<u>\$ 75,000</u>
	<u><u>\$ 75,000</u></u>

**NOTE 19 CONTINGENCIES**

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

**NOTE 20 SUBSEQUENT EVENTS**

In September 2024, the District issued bonds in the amount of \$55,735,000 with a premium of \$3,618,489 and a discount of \$169,505. The bonds mature December 2044 and bear interest at 3.875% to 5.000%.

Subsequent events were considered through November 6, 2024, which represents the release date of the report.

SUPPLEMENTARY  
INFORMATION

**BULLITT COUNTY SCHOOL DISTRICT**

**Combining Balance Sheet – Nonmajor Governmental Funds  
As of June 30, 2024**

	<u>Capital Outlay Fund</u>	<u>Building Fund</u>	<u>District Activity Fund</u>	<u>Debt Service Fund</u>	<u>School Activity Fund</u>	<u>Total Non-major Government Funds</u>
<b>Assets</b>						
<b>Current:</b>						
Cash and cash equivalents	\$ 1,207,045	\$ 72,431	\$ 738,832	\$ 1,726	\$ 1,103,488	\$ 3,123,522
Accounts receivable	-	-	-	-	7,656	7,656
Prepaid expenses	-	-	-	2,762,469	-	2,762,469
Total assets	<u>\$ 1,207,045</u>	<u>\$ 72,431</u>	<u>\$ 738,832</u>	<u>\$ 2,764,195</u>	<u>\$ 1,111,144</u>	<u>\$ 5,893,647</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ 17,416	\$ -	\$ 1,819	\$ 19,235
Total liabilities	-	-	17,416	-	1,819	19,235
<b>Fund Balances:</b>						
Restricted:						
Debt service fund	-	-	-	2,764,195	-	2,764,195
Other	1,207,045	72,431	721,416	-	1,109,325	3,110,217
Total fund balances	<u>1,207,045</u>	<u>72,431</u>	<u>721,416</u>	<u>2,764,195</u>	<u>1,109,325</u>	<u>5,874,412</u>
Total liabilities and fund balances	<u>\$ 1,207,045</u>	<u>\$ 72,431</u>	<u>\$ 738,832</u>	<u>\$ 2,764,195</u>	<u>\$ 1,111,144</u>	<u>\$ 5,893,647</u>

**BULLITT COUNTY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024**

	<b>Capital Outlay Fund</b>	<b>Building Fund</b>	<b>District Activity Fund</b>	<b>Debt Service Fund</b>	<b>School Activity Fund</b>	<b>Total Nonmajor Government Funds</b>
<b>Revenues:</b>						
Taxes	\$ -	\$ 15,846,279	\$ -	\$ -	\$ -	\$ 15,846,279
Earnings on investments	-	-	-	-	59,819	59,819
State sources	1,207,045	2,549,083	-	900,651	-	4,656,779
Other sources	-	-	64,870	-	2,898,161	2,963,031
<b>Total revenues</b>	<b>1,207,045</b>	<b>18,395,362</b>	<b>64,870</b>	<b>900,651</b>	<b>2,957,980</b>	<b>23,525,908</b>
<b>Expenditures:</b>						
Instructional	-	-	511,665	-	1,690,764	2,202,429
Student support services	-	-	-	-	13,730	13,730
Staff support services	-	-	62,178	-	67,781	129,959
Student transportation	-	-	25,721	-	105,280	131,001
Community service operations	-	-	-	-	235,291	235,291
Debt service:						
Principal	-	-	-	11,085,000	-	11,085,000
Interest	-	-	-	5,453,750	-	5,453,750
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>599,564</b>	<b>16,538,750</b>	<b>2,112,846</b>	<b>19,251,160</b>
Excess (deficit) of revenues over expenditures	1,207,045	18,395,362	(534,694)	(15,638,099)	845,134	4,274,748
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-	-	401,974	15,824,283	-	16,226,257
Operating transfers out	(762,829)	(22,228,144)	-	-	(695,252)	(23,686,225)
<b>Total other financing sources(uses)</b>	<b>(762,829)</b>	<b>(22,228,144)</b>	<b>401,974</b>	<b>15,824,283</b>	<b>(695,252)</b>	<b>(7,459,968)</b>
Net change in fund balance	444,216	(3,832,782)	(132,720)	186,184	149,882	(3,185,220)
Fund balance, July 1, 2023	762,829	3,905,213	854,136	2,578,011	959,443	9,059,632
Fund balance, June 30, 2024	\$ 1,207,045	\$ 72,431	\$ 721,416	\$ 2,764,195	\$ 1,109,325	\$ 5,874,412

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual – General Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 60,510,000	\$ 60,510,000	\$ 66,561,070	\$ 6,051,070
Earnings on investments	1,000,000	1,000,000	2,078,812	1,078,812
State sources	77,686,208	77,686,208	70,650,179	(7,036,029)
Federal sources	400,000	400,000	651,950	251,950
Other sources	<u>606,450</u>	<u>606,450</u>	<u>2,687,196</u>	<u>2,080,746</u>
Total revenues	<u>140,202,658</u>	<u>140,202,658</u>	<u>142,629,207</u>	<u>2,426,549</u>
<b>Expenditures</b>				
Instructional	93,624,933	93,578,874	83,500,051	10,078,823
Student support services	6,363,070	6,369,391	5,994,582	374,809
Staff support services	10,379,971	10,384,636	9,985,651	398,985
District administration	3,358,176	3,363,176	3,479,782	(116,606)
School administration	11,825,173	11,778,919	10,247,717	1,531,202
Business support services	3,275,842	3,276,167	3,010,766	265,401
Plant operation and maintenance	11,181,631	11,176,963	10,367,750	809,213
Student transportation	10,553,830	10,553,830	8,016,078	2,537,752
Community service operations	-	-	2,124	(2,124)
Facility acquisition and construction	-	-	-	-
Debt service	886,644	886,644	-	886,644
Other	<u>6,753,388</u>	<u>6,834,058</u>	<u>1,140,136</u>	<u>5,693,922</u>
Total expenditures	<u>158,202,658</u>	<u>158,202,658</u>	<u>135,744,637</u>	<u>22,458,021</u>
Net change in fund balance	(18,000,000)	(18,000,000)	6,884,570	24,884,570
Fund balance, July 1, 2023	<u>18,000,000</u>	<u>18,000,000</u>	<u>29,435,960</u>	<u>11,435,960</u>
Fund balance, June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,320,530</u>	<u>\$ 36,320,530</u>

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual – Special Revenue Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 166,996	\$ 166,996
Earnings on investments	-	-	22,145	22,145
State sources	4,909,708	4,914,231	5,296,189	381,958
Federal sources	6,661,773	7,759,428	11,454,957	3,695,529
Other sources	<u>520,187</u>	<u>944,336</u>	<u>1,450,273</u>	<u>505,937</u>
Total revenues	<u>12,091,668</u>	<u>13,617,995</u>	<u>18,390,560</u>	<u>4,772,565</u>
<b>Expenditures</b>				
Instructional	8,036,321	8,418,579	11,968,752	(3,550,173)
Student support services	169,632	536,021	506,309	29,712
Staff support services	1,555,023	1,767,993	2,552,508	(784,515)
District administration	-	528,148	270,969	257,179
School administration	370,017	370,017	442,704	(72,687)
Business support services	505,483	505,484	416,616	88,868
Plant operation and maintenance	81,034	95,648	43,508	52,140
Student transportation	159,541	159,541	115,128	44,413
Food service operation	-	-	53,129	(53,129)
Community service operations	1,125,667	1,131,354	1,169,316	(37,962)
Other	<u>88,950</u>	<u>126,896</u>	<u>486,941</u>	<u>(360,045)</u>
Total expenditures	<u>12,091,668</u>	<u>13,639,681</u>	<u>18,025,880</u>	<u>(4,386,199)</u>
Net change in fund balance	-	(21,686)	364,680	386,366
Fund balance, July 1, 2023	<u>-</u>	<u>-</u>	<u>380,550</u>	<u>380,550</u>
Fund balance, June 30, 2024	<u>\$ -</u>	<u>\$ (21,686)</u>	<u>\$ 745,230</u>	<u>\$ 766,916</u>



**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual – Construction Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Earnings on investments	\$ -	\$ -	\$ 1,965,568	\$ 1,965,568
Other sources	-	-	74,999,753	74,999,753
Total revenues	<u>-</u>	<u>-</u>	<u>76,965,321</u>	<u>76,965,321</u>
<b>Expenditures</b>				
Facility acquisition and construction	51,386,297	-	38,035,345	38,035,345
Total expenditures	<u>51,386,297</u>	<u>-</u>	<u>38,035,345</u>	<u>38,035,345</u>
Net change in fund balance	(51,386,297)	-	38,929,976	38,929,976
Fund balance, July 1, 2023	-	-	13,492,012	13,492,012
Fund balance, June 30, 2024	<u><u>\$ (51,386,297)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,421,988</u></u>	<u><u>\$ 52,421,988</u></u>

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
Bond and Interest Redemption Funds  
For the Year Ended June 30, 2024**

	<u>Issue of 2012</u>	<u>Issue of 2012 - 2nd Series</u>	<u>Issue of 2012 - 3rd Series</u>	<u>Issue of 2013</u>	<u>Issue of 2014</u>	<u>Issue of 2015</u>	<u>Issue of 2016</u>
<b>Cash at July 1, 2023</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Receipts:</b>							
Transfers and miscellaneous deposits	161,900	2,613,755	2,589,819	456,750	2,367,997	1,191,725	841,600
<b>Disbursements:</b>							
Bonds paid	160,000	2,505,000	2,510,000	450,000	980,000	730,000	715,000
Interest coupons	1,900	108,755	79,819	6,750	1,387,997	461,725	126,600
Total disbursements	161,900	2,613,755	2,589,819	456,750	2,367,997	1,191,725	841,600
Excess of receipts over disbursements	-	-	-	-	-	-	-
<b>Cash at June 30, 2024</b>	-	-	-	-	-	-	-
<b>Fund Balance at June 30, 2024</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	<u>Issue of 2017</u>	<u>Issue of 2018</u>	<u>Issue of 2020</u>	<u>Issue of 2021 - Ref</u>	<u>Issue of 2023A</u>	<u>Issue of 2023B</u>	<u>Total</u>
<b>Cash at July 1, 2023</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Receipts:</b>							
Transfers and miscellaneous deposits	602,819	567,500	826,275	783,298	809,977	553,385	16,538,750
<b>Disbursements:</b>							
Bonds paid	90,000	265,000	415,000	350,000	145,000	-	11,085,000
Interest coupons	512,819	302,500	411,275	433,298	664,977	553,385	5,453,750
Total disbursements	602,819	567,500	826,275	783,298	809,977	553,385	16,538,750
Excess of receipts over disbursements	-	-	-	-	-	-	-
<b>Cash at June 30, 2024</b>	-	-	-	-	-	-	-
<b>Fund Balance at June 30, 2024</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
Bullitt Central High School Activity Fund  
For the Year Ended June 30, 2024**

	<b>Fund Balance July 1, 2023</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Fund Balance June 30, 2024</b>	<b>Accounts Receivable June 30, 2024</b>	<b>Accounts Payable June 30, 2024</b>	<b>Due to Student Groups June 30, 2024</b>
Annual (Yearbook)	\$ 25,918	\$ 4,972	\$ 2,857	\$ 28,033	\$ -	\$ -	\$ 28,033
Archery	6,009	14,462	18,715	1,756	99	-	1,855
Art	53	820	854	19	-	-	19
Athletic cokes	1,200	25,095	21,550	4,745	-	-	4,745
Athletics	2,214	86,282	90,198	(1,702)	1,174	-	(528)
Background check	20	30	50	-	-	-	-
Band	891	76	786	181	-	-	181
Baseball	-	3,950	3,712	238	-	-	238
BETA	5,556	13,475	12,107	6,924	-	-	6,924
Biology Lab	1,905	1,064	1,228	1,741	-	-	1,741
Bowling	-	114	-	114	-	-	114
Boys Golf	-	300	300	-	-	-	-
Cheerleading	299	5,121	-	5,420	-	-	5,420
Chemistry (Lab Fee)	295	-	-	295	-	-	295
Chess Team BCHS	795	3,555	3,510	840	-	-	840
Choir	76	514	76	514	-	-	514
Cougar Crazyes	544	-	544	-	-	-	-
Cross Country Boys/Girls	69	-	-	69	-	-	69
Culinary	4,851	2,487	2,827	4,511	-	-	4,511
Dance	142	-	-	142	-	-	142
District Chromebooks	270	19,840	20,110	-	-	-	-
District Tourn. Host School	-	1,720	1,665	55	1,624	-	1,679
Drama	4,324	13,568	17,889	3	-	-	3
ED Rising	1,250	3,120	2,862	1,508	-	-	1,508
Engineering	1,041	1,955	1,744	1,252	-	-	1,252
Farm to table	3,809	4,222	2,802	5,229	-	-	5,229
FBLA	1,341	2,110	2,671	780	-	-	780
FCCLA	1,493	196	196	1,493	-	-	1,493
FFA	876	15,714	12,146	4,444	-	-	4,444
Floral Design	429	1,095	521	1,003	-	-	1,003
Fund 22	-	5,811	5,811	-	-	-	-
General	1,557	7,522	5,169	3,910	-	-	3,910
Green House	2,523	10,287	4,457	8,353	-	-	8,353
Guidance	113	5,223	1,954	3,382	-	-	3,382
Health Science Class Fee	1,963	6,693	7,367	1,289	-	-	1,289

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
Bullitt Central High School Activity Fund (Continued)  
For the Year Ended June 30, 2024**

	<b>Fund Balance July 1, 2023</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Fund Balance June 30, 2024</b>	<b>Accounts Receivable June 30, 2024</b>	<b>Accounts Payable June 30, 2024</b>	<b>Due to Student Groups June 30, 2024</b>
Homecoming	\$ 337	\$ 70	\$ 404	\$ 3	\$ -	\$ -	\$ 3
HOSA	1,483	5,191	3,746	2,928	-	-	2,928
Integrated Science	-	600	361	239	-	-	239
Junior	19,886	31,030	11,094	39,822	-	-	39,822
KYA/KUNA	-	9,387	9,327	60	-	-	60
Library	1,412	2,079	1,247	2,244	-	-	2,244
Math Department (Fees)	946	-	397	549	-	-	549
National Honor	5,230	1,280	1,893	4,617	-	-	4,617
Non-student generated	1,080	1,591	2,520	151	-	-	151
Parking lot	-	3,950	3,950	-	-	-	-
PBIS	487	3,334	3,258	563	21	-	584
Pep Club	-	257	-	257	-	-	257
Regional Tournaments	-	1,610	-	1,610	-	-	1,610
Robotics	1,147	10	-	1,157	-	-	1,157
ROTC	9,303	27,786	35,874	1,215	-	-	1,215
Senior Dues	130	1,680	904	906	-	-	906
Senior Trip	1,366	29,972	30,827	511	-	-	511
Softball	-	200	200	-	-	-	-
Special Ed	9	144	39	114	-	-	114
Staff generated	2,236	-	-	2,236	94	-	2,330
Swim Team	-	546	48	498	-	-	498
Technology Student Club	30	88	118	-	-	-	-
Tennis Boys/Girls	220	-	-	220	-	-	220
The Cougar Shop	7,536	7,333	8,317	6,552	-	-	6,552
Track	221	2,750	-	2,971	-	-	2,971
Wood Shop	1,628	91	327	1,392	145	-	1,537
Wrestling	3	115	-	118	-	-	118
<b>Total</b>	<b>\$ 126,516</b>	<b>\$ 392,487</b>	<b>\$ 361,529</b>	<b>\$ 157,474</b>	<b>\$ 3,157</b>	<b>\$ -</b>	<b>\$ 160,631</b>

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
Bullitt East High School Activity Fund  
For the Year Ended June 30, 2024**

	<b>Fund Balance July 1, 2023</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Fund Balance June 30, 2024</b>	<b>Accounts Receivable June 30, 2024</b>	<b>Accounts Payable June 30, 2024</b>	<b>Due to Students &amp; Others June 30, 2024</b>
Academic Club	\$ 1,093	\$ 457	\$ -	\$ 1,550	\$ -	\$ -	\$ 1,550
Archery	7,461	12,135	14,334	5,262	-	-	5,262
Art Class	-	450	450	-	-	-	-
Art Club	11	-	-	11	-	-	11
Athletic	16,323	92,398	77,843	30,878	-	-	30,878
Background Check	10	80	90	-	-	-	-
Band	625	3,126	2,225	1,526	-	-	1,526
Baseball	8,242	69,210	53,239	24,213	-	-	24,213
Basketball-Boys	6,198	42,660	43,470	5,388	-	-	5,388
Basketball-Girls	5,392	31,872	37,264	-	-	-	-
Bass Fishing	790	685	1,475	-	-	-	-
Beta Club	694	7,280	7,614	360	500	-	860
Beta Club Scholarships	337	9,610	7,020	2,927	-	-	2,927
Biology	-	2,330	2,330	-	-	-	-
Bowling	1,284	2,767	1,677	2,374	-	-	2,374
Business	160	318	-	478	-	-	478
Charger Camp	12,801	18,539	23,309	8,031	-	-	8,031
Cheerleaders	13,548	69,880	76,302	7,126	-	-	7,126
Chemistry	-	2,180	2,180	-	-	-	-
Chess Club	25	245	44	226	-	-	226
Chorus	5,689	15,917	11,026	10,580	-	-	10,580
Coke	1,233	283	-	1,516	-	-	1,516
Cross Country	426	163	560	29	-	-	29
Dance	764	300	492	572	-	-	572
Dist Chromebooks-Repairs	-	1,010	1,010	-	-	-	-
District Chromebooks	-	39,175	39,175	-	-	-	-
District Fund 22	-	70,927	70,927	-	-	-	-
Drama	264	-	264	-	-	-	-
Early Childhood	-	300	300	-	-	-	-
East Area Running Club	2,779	7,256	7,599	2,436	-	-	2,436
Ecology Club	-	75	75	-	-	-	-
EMT	18	-	18	-	-	-	-
Engineering Class	-	110	110	-	-	-	-
English	762	3,800	3,598	964	-	-	964
Faculty Lounge	397	199	112	484	-	-	484
Faculty Sunshine	614	285	339	560	-	-	560
Family Consumer Science	539	19,250	10,667	9,122	-	-	9,122
FBLA Club	9,936	37,573	44,768	2,741	-	-	2,741
FCA Club	424	1,785	1,441	768	-	-	768
FCCLA Club	7,676	875	5,209	3,342	-	-	3,342
FFA Club	3,184	14,201	15,259	2,126	-	-	2,126
FFA-Greenhouse	4,232	966	225	4,973	-	-	4,973
Financial Services	64	-	-	64	-	-	64
Football	6,078	81,132	64,957	22,253	-	-	22,253

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
Bullitt East High School Activity Fund (Continued)  
For the Year Ended June 30, 2024**

	<u>Fund Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Fund Balance</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students &amp; Others</u>
	<u>July 1, 2023</u>			<u>June 30, 2024</u>	<u>June 30, 2024</u>	<u>June 30, 2024</u>	<u>June 30, 2024</u>
General Funds	\$ 14,225	\$ 17,764	\$ 15,923	\$ 16,066	\$ -	\$ -	\$ 16,066
Golf-Boys	1,026	27,400	27,957	469	-	-	469
Golf-Girls	3,359	8,566	9,157	2,768	-	-	2,768
Guidance	8,837	10,086	11,449	7,474	-	-	7,474
Halloween in the Halls	2,405	2,172	2,379	2,198	-	-	2,198
HAVPA	-	35	35	-	-	-	-
Health & PE	388	1,983	-	2,371	-	-	2,371
Health Science	404	1,156	967	593	-	-	593
HOSA	1,725	5,158	4,227	2,656	-	-	2,656
Houses-Spero	405	5,725	5,267	863	-	-	863
Journalism	2,341	6,249	5,136	3,454	-	-	3,454
JR. Class	4,606	34,952	26,709	12,849	-	-	12,849
Law Enforcement	-	140	-	140	-	-	140
Law Enforcement Club	66	-	66	-	-	-	-
Leaders of East	-	360	201	159	-	-	159
Library	68	222	63	227	-	-	227
Marching Band	1,200	27,860	29,060	-	-	-	-
MSD Class	76	978	956	98	-	-	98
Multicultural Club	-	554	-	554	-	-	554
Music Society	383	350	315	418	-	-	418
NHS Club	149	2,525	2,573	101	-	-	101
NHS Scholarships	283	6,981	4,531	2,733	-	-	2,733
Parking Permits	-	7,185	7,185	-	-	-	-
Physics	-	150	150	-	-	-	-
Pictures	2,155	2,655	2,655	2,155	-	-	2,155
Pink Out	375	6,544	6,765	154	-	-	154
Project Unify	3,439	2,573	797	5,215	-	-	5,215
RZR Club	1,018	391	201	1,208	-	-	1,208
Science	45	2,140	2,110	75	-	-	75
Sci-fi Clubs	919	12	160	771	-	-	771
Soccer-Boys	4,537	5,024	3,398	6,163	-	-	6,163
Soccer-Girls	12,397	14,097	18,917	7,577	-	-	7,577
Softball	24,853	3,780	1,854	26,779	-	-	26,779
Speech and Debate Team	50	1,503	1,430	123	-	-	123
SR. Class	6,707	25,075	25,622	6,160	-	-	6,160
Start Up Account	-	400	400	-	-	-	-
Swim Team	1,558	1,595	417	2,736	-	-	2,736
Tennis-Boys	146	-	39	107	-	-	107
Tennis-Girls	491	3,462	1,407	2,546	-	-	2,546
Textbook Fines	-	1,865	1,865	-	-	-	-
Track	5,621	8,843	7,344	7,120	-	-	7,120
Volleyball	27,134	24,246	27,622	23,758	-	-	23,758
Wrestling	317	1,002	201	1,118	-	-	1,118
Yearbook	22,733	25,115	21,232	26,616	-	-	26,616
<b>Total</b>	<b>\$ 276,514</b>	<b>\$ 965,901</b>	<b>\$ 912,469</b>	<b>\$ 329,946</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ 330,446</b>

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
North Bullitt High School Activity Fund  
For the Year Ended June 30, 2024**

	<b>Fund Balance July 1, 2023</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Fund Balance June 30, 2024</b>	<b>Accounts Receivable June 30, 2024</b>	<b>Accounts Payable June 30, 2024</b>	<b>Due to Students &amp; Others June 30, 2024</b>
Academic Team	\$ 1,120	\$ -	\$ 375	\$ 745	\$ -	\$ -	\$ 745
Agriculture department	777	-	45	732	-	-	732
Allied Health	-	1,344	1,344	-	-	-	-
Archery	3,641	3,745	4,248	3,138	-	-	3,138
Art Class	-	360	270	90	-	-	90
Athletics	8,647	48,334	44,001	12,980	-	-	12,980
Background Checks	-	110	100	10	-	-	10
Band/Choir	756	8,294	8,829	221	-	-	221
Baseball	6,656	7,769	10,537	3,888	-	-	3,888
Basketball (Girls)	6,399	14,858	14,075	7,182	-	-	7,182
Basketball (Boys)	573	7,704	6,080	2,197	-	-	2,197
Beta Club	484	240	484	240	-	-	240
Bowling	3,153	2,680	5,023	810	-	-	810
Cheerleading	1,322	1,781	160	2,943	-	-	2,943
Chess	820	4,232	3,630	1,422	-	-	1,422
Chromebook Repairs	-	1,078	1,078	-	-	-	-
Chromebooks	35	16,555	16,590	-	-	-	-
Counselors	5,645	2,325	1,807	6,163	-	-	6,163
Cross Country	2,416	4,428	5,533	1,311	-	-	1,311
Culinary	-	1,235	923	312	-	-	312
Dance	172	-	-	172	-	-	172
Educators Rising	526	-	-	526	-	-	526
FBLA: Future Business L	461	35	313	183	-	-	183
FCA	5	-	-	5	-	-	5
FFA	3,022	4,673	2,171	5,524	-	-	5,524
Football	4,517	49,673	52,266	1,924	-	-	1,924
Fund 22	-	19,206	19,206	-	-	-	-
General Fund	6,056	10,272	8,579	7,749	-	-	7,749
Golf (Boys)	883	1,400	579	1,704	-	-	1,704

**BULLITT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
North Bullitt High School Activity Fund (Continued)  
For the Year Ended June 30, 2024**

	<b>Fund Balance July 1, 2023</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Fund Balance June 30, 2024</b>	<b>Accounts Receivable June 30, 2024</b>	<b>Accounts Payable June 30, 2024</b>	<b>Due to Students &amp; Others June 30, 2024</b>
Golf (Girls)	\$ 1,229	\$ -	\$ 51	\$ 1,178	\$ -	\$ -	\$ 1,178
JROTC	76	1,016	1,053	39	-	-	39
Library	266	94	-	360	-	-	360
Parking Fees	-	5,600	5,600	-	-	-	-
PBIS / RTI	1,202	5,631	6,014	819	-	-	819
Prom	5,905	21,945	23,006	4,844	-	-	4,844
Science Dept	182	2,425	2,405	202	-	-	202
School Bookstore	-	123	79	44	-	-	44
Senior NY Trip	295	-	-	295	-	-	295
Seniors	663	8,820	9,100	383	-	-	383
Soccer (Boys)	1,442	2,456	2,160	1,738	-	-	1,738
Soccer (Girls)	9,181	10,381	15,097	4,465	-	-	4,465
Softball	10,663	2,226	2,362	10,527	-	-	10,527
Special Ed Department	304	1,441	1,504	241	-	-	241
SSA - Student Community	302	-	-	302	-	-	302
Swim	3,361	2,079	2,280	3,160	-	-	3,160
Teacher Fund	991	632	1,231	392	-	-	392
Tennis (Boys)	1,065	1,153	1,721	497	-	-	497
Tennis (Girls)	752	1,213	1,632	333	-	-	333
Track (Boys)	727	468	958	237	-	-	237
Track (Girls)	-	442	312	130	-	-	130
TSA - Tech Student Associ:	-	336	310	26	-	-	26
Volleyball (Boys)	-	609	576	33	-	-	33
Volleyball (Girls)	16,874	17,694	21,765	12,803	-	-	12,803
Weight Lifting	177	2,373	226	2,324	-	-	2,324
Wrestling	83	1,174	590	667	-	-	667
Yearbook	2,591	1,178	125	3,644	-	-	3,644
Youth Service Center	3	-	-	3	-	-	3
<b>Total</b>	<b>\$ 116,420</b>	<b>\$ 303,840</b>	<b>\$ 308,403</b>	<b>\$ 111,857</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 111,857</b>



**BULLITT COUNTY SCHOOL DISTRICT**

**Combining Statement of Receipts, Disbursements and Due to Student/Groups  
School Activity Funds  
For the Year Ended June 30, 2024**

	<b>Cash Balance July 1, 2023</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Cash Balance 6/30/2024</b>	<b>Accounts Receivable June 30, 2024</b>	<b>Accounts Payable June 30, 2024</b>	<b>Due To Students &amp; Others June 30, 2024</b>
Bernheim Middle	\$ 47,476	\$ 105,475	\$ 99,402	\$ 53,549	\$ -	\$ -	\$ 53,549
Brooks Elementary	8,861	43,529	46,558	5,832	336	-	6,168
Bullitt Central High	126,516	392,487	361,529	157,474	3,157	-	160,631
Bullitt East High	276,514	965,901	912,469	329,946	500	-	330,446
Bullitt Lick Middle	18,996	82,996	82,454	19,538	-	-	19,538
Cedar Grove Elementary	15,228	87,456	77,385	25,299	-	1,709	23,590
Crossroads Elementary	20,763	77,396	70,209	27,950	-	-	27,950
Eastside Middle	20,273	123,728	110,258	33,743	-	-	33,743
Freedom Elementary	10,414	60,029	62,364	8,079	-	-	8,079
Hebron Middle	61,247	144,498	152,405	53,340	-	-	53,340
Lebanon Junction Elementary	5,391	34,508	38,739	1,160	-	-	1,160
Maryville Elementary	846	31,389	29,192	3,043	-	-	3,043
Mt. Washington Elementary	6,028	100,822	86,769	20,081	3,354	-	23,435
Mt. Washington Middle	86,185	95,223	74,358	107,050	-	-	107,050
Nichols Elementary	2,358	10,104	9,272	3,190	-	-	3,190
North Bullitt High	116,420	303,840	308,403	111,857	-	-	111,857
Old Mill Elementary	29,451	93,630	93,557	29,524	-	-	29,524
Overdale Elementary	19,503	58,136	54,151	23,488	-	-	23,488
Pleasant Grove Elementary	14,475	68,201	69,872	12,804	-	-	12,804
Riverview Opportunity Center	9,585	92,153	82,751	18,987	-	-	18,987
Roby Elementary	18,292	44,459	47,800	14,951	-	-	14,951
Shepherdsville Elementary	16,657	43,409	45,616	14,450	309	-	14,759
Zoneton Middle	22,825	84,927	79,599	28,153	-	110	28,043
<b>Total</b>	<b>\$ 954,304</b>	<b>\$ 3,144,296</b>	<b>\$ 2,995,112</b>	<b>\$ 1,103,488</b>	<b>\$ 7,656</b>	<b>\$ 1,819</b>	<b>\$ 1,109,325</b>

**BULLITT COUNTY SCHOOL DISTRICT**

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

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	305,774,569	314,334,458	240,393,335	255,049,121	247,824,359	273,873,661	488,866,344	529,331,646	410,921,649	344,145,200
<b>Total</b>	<b>\$305,774,569</b>	<b>\$314,334,458</b>	<b>\$240,393,335</b>	<b>\$255,049,121</b>	<b>\$247,824,359</b>	<b>\$273,873,661</b>	<b>\$488,866,344</b>	<b>\$529,331,646</b>	<b>\$410,921,649</b>	<b>\$344,145,200</b>
District's covered-employee payroll	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	\$ 55,892,348	\$ 55,245,952	\$ 53,215,974	\$ -
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.80%	35.20%	42.50%	45.59%

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

*Changes of benefit terms:* A new benefit tier was added for members joining the System on and after January 1, 2022

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

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

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

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

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

*Changes of assumption:* In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more close. The expectation of mortality was changed to the Pub2010 Mortality Tables projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3% to 2.50%. In addition, the calculation of the SEIR results in an assumption change from 7.50% to 7.10%.

**BULLITT COUNTY SCHOOL DISTRICT**  
**Schedule of District Contributions – TRS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,787,373	\$ 2,755,304	\$ 1,776,920	\$ 2,380,278	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(2,787,373)</u>	<u>(2,755,304)</u>	<u>(1,776,920)</u>	<u>(2,380,278)</u>	*	*	*	*	*	*
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	*	*	*	*	*	*
District's covered-employee payroll	\$67,636,187	\$65,163,545	\$41,948,866	\$61,834,583	\$57,651,628	\$56,813,419	\$56,459,099	\$55,892,348	\$55,245,952	\$53,215,974
Contributions as a percentage of covered-employee payroll	4.12%	4.23%	4.24%	3.85%	*	*	*	*	*	*

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

## BULLITT COUNTY SCHOOL DISTRICT

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

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability	0.576275%	0.645415%	0.641517%	0.649098%	0.643428%	0.639520%	0.648925%	0.663291%	0.650633%	0.635878%
District's proportionate share of the net pension liability	\$ 36,976,734	\$ 46,657,137	\$ 40,901,741	\$ 49,785,279	\$ 45,252,578	\$ 38,792,318	\$ 37,983,575	\$ 32,657,910	\$ 27,974,140	\$ 20,630,000
Total net pension liability	\$7,229,013,496	\$ 7,229,013,496	\$6,375,784,388	\$7,669,917,211	\$7,033,044,552	\$6,090,304,793	\$5,853,307,482	\$4,923,618,237	\$4,299,525,565	\$3,244,377,000
District's covered-employee payroll	\$ 17,285,217	\$ 11,101,123	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	\$ 15,956,427	\$ 15,919,816	\$ 15,235,820	\$ -
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	213.92%	420.29%	245.54%	294.70%	274.91%	242.85%	238.05%	205.14%	183.61%	#DIV/0!
Plan fiduciary net position as a percentage of the total pension liability	52.42%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

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

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

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

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

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

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

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

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

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

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

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

2017: The assumed investment rate of return was decreased from 7.50% to 6.25%.

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

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

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

**BULLITT COUNTY SCHOOL DISTRICT**  
**Schedule of District Contributions – CERS**

	Last 10 Fiscal Years*									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,563,654	\$ 4,630,578	\$ 2,989,071	\$ 4,007,953	\$ 3,260,509	\$ 2,669,983	\$ 2,312,994	\$ 2,225,922	\$ 1,977,241	\$ 1,942,567
Contributions in relation to the contractually required contribution	<u>(4,563,654)</u>	<u>(4,630,578)</u>	<u>(2,989,071)</u>	<u>(4,007,953)</u>	<u>(3,260,509)</u>	<u>(2,669,983)</u>	<u>(2,312,994)</u>	<u>(2,225,922)</u>	<u>(1,977,241)</u>	<u>(1,942,567)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$19,552,997	\$17,285,217	\$11,101,123	\$16,658,153	\$16,893,827	\$16,461,052	\$15,973,712	\$15,956,427	\$15,919,816	\$15,235,820
Contributions as a percentage of covered-employee payroll	23.34%	26.79%	26.93%	24.06%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the collective trust OPEB liability	0%	0%	0%	0%	0%	0%	0%	*	*	*
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	\$ 477,000	\$ 540,000	\$ 226,000	\$ 585,000	\$ 527,000	\$ 478,000	\$ 370,000	*	*	*
Total net OPEB liability	\$ 477,000	\$ 540,000	\$ 226,000	\$ 585,000	\$ 527,000	\$ 478,000	\$ 370,000	*	*	*
District's covered-employee payroll	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,813,419	\$ 56,459,099	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	76.91%	73.97%	89.15%	71.57%	73.40%	75.00%	80.00%	*	*	*

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

*Changes of benefit terms* - None.

*Methods and assumptions used in the actuarially determined contributions* - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2023:

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	24 years
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	7.50%

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

	Last 10 Fiscal Years*									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	*	*	*	*	*	*
Contribution deficiency	-	-	-	-	*	*	*	*	*	*
District's covered-employee payroll	\$ 67,636,187	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the collective trust OPEB liability	0.937878%	1.330061%	0.977103%	0.956660%	0.960568%	0.931174%	0.950194%	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 22,843,000	\$ 33,019,000	\$ 20,966,000	\$24,144,000	\$28,114,000	\$32,309,000	\$33,882,000	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 19,254,000	\$ 10,847,000	\$ 17,027,000	\$19,340,000	\$22,704,000	\$27,844,000	\$27,677,000	*	*	*
Total net OPEB liability	\$ 42,097,000	\$ 43,866,000	\$ 37,993,000	\$43,484,000	\$50,818,000	\$60,153,000	\$61,559,000	*	*	*
District's covered-employee payroll	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$57,651,628	\$56,813,419	\$56,459,099	\$55,892,348	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	35.1%	78.7%	33.9%	41.9%	49.5%	57.2%	60.6%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	52.97%	47.75%	51.74%	39.05%	32.60%	25.50%	21.20%	*	*	*

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

*Changes in benefit terms* - None

*Change in assumptions:*

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

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



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

	Last 10 Fiscal Years*									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,777,123	\$ 1,764,824	\$ 1,734,366	\$ 1,689,528	\$ 1,729,549	\$ 1,704,403	\$ 1,668,900	*	*	*
Contributions in relation to the contractually required contribution	<u>(1,777,123)</u>	<u>(1,764,824)</u>	<u>(1,734,366)</u>	<u>(1,689,528)</u>	<u>(1,729,549)</u>	<u>(1,704,403)</u>	<u>(1,668,900)</u>	*	*	*
Contribution deficiency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	*	*	*
District's covered-employee payroll	\$ 67,636,187	\$ 65,163,545	\$ 41,948,866	\$ 61,834,583	\$ 57,651,628	\$ 56,813,419	\$ 56,459,099	\$ 55,892,348	*	*
Contributions as a percentage of covered-employee payroll	2.63%	2.71%	4.13%	2.73%	3.00%	3.00%	2.96%	*	*	*

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

**BULLITT COUNTY SCHOOL DISTRICT**

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

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the collective trust OPEB liability	0.576254%	0.645302%	0.641366%	0.649367%	0.643261%	0.636927%	0.648925%	*	*	*
District's proportionate share of the collective net OPEB liability (asset)	\$ (795,615)	\$ 12,735,123	\$ 12,278,631	\$ 15,680,238	\$ 10,819,360	\$ 11,308,512	\$ 13,045,612	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*
Total net OPEB liability (asset)	\$ (795,615)	\$ 12,735,123	\$ 12,278,631	\$ 15,680,238	\$ 10,819,360	\$ 11,308,512	\$ 13,045,612	*	*	*
District's covered-employee payroll	\$ 17,285,217	\$ 11,101,123	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	\$ 15,956,427	*	*	*
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	4.6%	114.7%	73.7%	92.8%	65.7%	70.8%	81.8%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.39%	*	*	*

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

*Changes in assumptions:* None

2018: Updated health care trend rates were implemented.

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

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

	Last 10 Fiscal Years*									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 567,075	\$ 744,225	\$ 779,973	\$ 791,984	\$ 804,146	\$ 865,851	\$ 750,765	*	*	*
Contributions in relation to the contractually required contribution	<u>(567,075)</u>	<u>(744,225)</u>	<u>(779,973)</u>	<u>(791,984)</u>	<u>(804,146)</u>	<u>(865,851)</u>	<u>(750,765)</u>	*	*	*
Contribution deficiency	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>*</u></u>	<u><u>*</u></u>	<u><u>*</u></u>
District's covered-employee payroll	\$ 19,552,997	\$ 17,285,217	\$ 11,101,123	\$ 16,658,153	\$ 16,893,827	\$ 16,461,052	\$ 15,973,712	\$ 15,956,427	*	*
Contributions as a percentage of covered-employee payroll	2.90%	4.31%	7.03%	4.75%	4.76%	5.26%	4.70%	*	*	*

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

**BULLITT COUNTY SCHOOL DISTRICT**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Agreement Number</b>	<b>Federal Expenditures for FYE June 30, 2024</b>
<b>U.S. Department of Education</b>			
<b>Passed through Kentucky Department of Education</b>			
Special Education Cluster			
Special Education_Grants to States	84.027	3810002 22	\$ 445,943
Special Education_Grants to States	85.027	3810002 22	5,039
Special Education_Grants to States	84.027	3810002 23	2,357,959
Special Education_Grants to States	84.027	3800002 21	460
Special Education_Grants to States	84.027	3800002 22	3,120
Special Education_Grants to States	84.027	3800002 23	95,279
COVID-related funding:			
Special Education_Grants to States	84.027	4910002 21	33,361
Special Education_Preschool Grants	84.173	4900002 21	718
Total Special Education Cluster			<u>2,941,879</u>
Title I Grants to Local Educational Agencies	84.010A	3100202 23	136,680
Title I Grants to Local Educational Agencies	84.010A	3100002 21	6,105
Title I Grants to Local Educational Agencies	84.010A	3100002 21	181
Title I Grants to Local Educational Agencies	84.010A	3100002 22	334,695
Title I Grants to Local Educational Agencies	84.010A	3100002 22	12,011
Title I Grants to Local Educational Agencies	84.010A	3100002 23	1,823,796
Title I Grants to Local Educational Agencies	84.010A	3100002 23	<u>10,143</u>
Total ALN #84.010			<u>2,323,611</u>
Title I State Agency Program for Neglected and Delinquent Children	84.013	N&D - 22	2,460
Title I State Agency Program for Neglected and Delinquent Children	84.013	N&D - 23	<u>24,170</u>
Total ALN #84.013			<u>26,630</u>
Career and technical Education -Basic Grants to States	84.048	3710002 21	1,460
Career and technical Education -Basic Grants to States	84.048	3710002 22	1,600
Career and technical Education -Basic Grants to States	84.048	3710002 22	9,338
Career and technical Education -Basic Grants to States	84.048	3710002 23	<u>107,392</u>
Total ALN #84.048			<u>119,790</u>
Education for Homeless Children and Youth	84.196	3990002 22	37,590
Education for Homeless Children and Youth	84.196	3990002 23	<u>66,789</u>
Total ALN #84.196			<u>104,379</u>
English Language Acquisition State Grants	84.365	3300002 23	<u>36,924</u>
Total ALN #84.365			<u>36,924</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	3230002 22	93,889
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	3230002 23	<u>319,467</u>
Total ALN #84.367			<u>413,356</u>
Student Support and Academic Enrichment	84.424A	3420002 21	12,685
Student Support and Academic Enrichment	84.424A	3420002 21	3,778
Student Support and Academic Enrichment	84.424A	3420002 22	26,903
Student Support and Academic Enrichment	84.424A	3420002 22	26,239
Student Support and Academic Enrichment	84.424A	3420002 22	72,514
Student Support and Academic Enrichment	84.424A	3420002 23	6,122
Student Support and Academic Enrichment	84.424A	3420002 23	4,715
Student Support and Academic Enrichment	84.424A	3420002 23	<u>2,725</u>
Total ALN #84.424A			<u>155,681</u>
Student Support and Academic Enrichment Stronger Connections Grant	84.424F	3860002 22	<u>114,214</u>
Total ALN #84.424F			<u>114,214</u>
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund Homeless Children & Youth	84.425W	4980002 21	68,946
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	4300002 21	2,626,130
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	4300002 21	15,790
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	4300002 21	1,533,066
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund Digital Learning Coaches	84.425U	4300002 21	17,500
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund PEEP grant	84.425U	4300002 21	<u>10,903</u>
Total ALN #84.425			<u>4,272,335</u>
<b>Total U.S. Department of Education</b>			<u><b>10,508,799</b></u>

**BULLITT COUNTY SCHOOL DISTRICT**

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal ALN Number</u>	<u>Agreement Number</u>	<u>Federal Expenditures for FYE June 30, 2024</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Direct Federal Award</i>			
Drug-Free Communities Support Program Grants	93.276	Direct-23	41,562
Drug-Free Communities Support Program Grants	93.276	Direct-24	95,931
Total ALN #93.276			<u>137,493</u>
COVID-related funding			
Child Care Development Block Grant	93.575	2101KYCDC6	326
Child Care Development Block Grant	93.575	2101KYCDC6	6,527
Child Care Development Block Grant	93.575	2101KYCDC6	247,211
Total ALN #93.575			<u>254,064</u>
<i>Passed through Kentucky Department of Education</i>			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Not available	310,952
Total ALN #93.243			<u>310,952</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>702,509</u>
<b><u>U.S. Department of Defense</u></b>			
<i>Direct Award</i>			
National Guard Challenge Program	12.357	Not available	197,754
Total ALN #12.357			<u>197,754</u>
<b>Total U.S. Department of Defense</b>			<u>197,754</u>
<b><u>U.S. Department of Agriculture</u></b>			
Child Nutrition Cluster			
<i>Passed through Kentucky Department of Education</i>			
School Breakfast Program	10.553	7760005 23	303,392
School Breakfast Program	10.553	7760005 24	1,114,162
National School Lunch Program	10.555	9980000 23	384,187
National School Lunch Program	10.555	7750002 23	1,048,586
National School Lunch Program	10.555	7750002 24	3,026,851
Summer Food Service Program for Children	10.559	7690024 23	6,078
Summer Food Service Program for Children	10.559	7740023 23	58,530
			<u>5,941,786</u>
<i>Passed through Kentucky Department of Agriculture</i>			
National School Lunch Program - Food Donation	10.555	Not available	422,496
Total Child Nutrition Cluster			<u>6,364,282</u>
<i>Passed through Kentucky Department of Education</i>			
Local Food for Schools Cooperative Agreement Program	10.185	7840027 20	45,895
Total ALN #10.185			<u>45,895</u>
State Administrative Expenses for Child Nutrition	10.560	7700001 22	16,724
<b>Total U.S. Department of Agriculture</b>			<u>6,426,901</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 17,835,963</u>

See notes to the schedule of expenditures of federal awards

**BULLITT COUNTY SCHOOL DISTRICT**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Bullitt County School District under programs of the federal government for the year ended June 30, 2024 and is reported on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of Bullitt County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2024, the District reported food commodities expended in the amount of \$422,496.

**NOTE 4 INDIRECT COST RATE**

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

**NOTE 5 SUBRECIPIENTS**

The District did not have any subrecipients during the year ended June 30, 2024.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bullitt County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Bullitt County School District's basic financial statements, and have issued our report thereon dated November 6, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

We noted other matters that we reported to management of the District on pages 81 to 85.

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

**Purpose of this Report**

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



Crestview Hills, Kentucky  
November 6, 2024



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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Bullitt County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bullitt County School District's major federal programs for the year ended June 30, 2024. Bullitt County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bullitt County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bullitt County School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Bullitt County School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

**Report on Internal Control Over Compliance**

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

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

**Report on Internal Control Over Compliance (Continued)**

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

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

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

*Barnes, Dennig & Co., Ltd.*

Crestview Hills, Kentucky  
November 6, 2024

**BULLITT COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2024**

**SECTION I -SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

***Federal Awards***

Internal control over major programs:

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

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

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

***Identification of major programs***

ALN No.	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
84.027/84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters are reportable

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST**

No matters are reportable

**BULLITT COUNTY SCHOOL DISTRICT**

**Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2024**

**SECTION I – SUMMARY OF PRIOR YEAR AUDITOR’S RESULTS**

No matters are reportable

**SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

No matters are reportable

**SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST**

No matters are reportable

**BULLITT COUNTY SCHOOL DISTRICT**

**Management Letter Comments (Continued)  
Year Ended June 30, 2024**

In planning and performing our audit of the financial statements of Bullitt County School District for the year ended June 30, 2024, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

This letter summarizes our comments and suggestions regarding those matters. A separate report dated November 6, 2024 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated November 6, 2024, on the financial statements of the Bullitt County School District.

**CURRENT YEAR RECOMMENDATIONS**

**CENTRAL OFFICE**

**2024-01: Old outstanding checks**

Criteria – Per best practices recommended by the Kentucky Department of Education, outstanding checks should not be carried longer than 12 months.

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

Effect – Best practices over cash were not followed.

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

Recommendation – We recommend that the Finance Director review all outstanding checks on a regular basis to ensure there are no outstanding checks carried longer than 12 months.

Board Response – The district completed a review for the aged checks in Accounts Payable. We contacted all parties to the old items and reissued checks as appropriate. For those items that we did not get a response from the payee, we escheated to the state of Kentucky. The state of Kentucky will not accept aged items unless they are 3 years old. We are continuing in our efforts to get these items cleared within the guidelines of the state. We are working on the aged payroll and vendor checks at this time; however, the reissuance of these types of checks are more difficult to resolve. Many of the items are not employee checks but vendor checks. This requires extensive research. We will continue in our efforts to get this resolved within the state guidelines.

**ACTIVITY FUNDS**

**Bullitt Central High School**

No matters are reportable

**Bullitt East High School**

No matters are reportable

**BULLITT COUNTY SCHOOL DISTRICT**  
**Management Letter Comments (Continued)**  
**Year Ended June 30, 2024**

**CURRENT YEAR RECOMMENDATIONS (Continued)**

**North Bullitt High School**

No matters are reportable

**Bernheim Middle School**

No matters are reportable

**Bullitt Lick Middle School**

No matters are reportable

**Eastside Middle School**

No matters are reportable

**Hebron Middle School**

No matters are reportable

**Mt. Washington Middle School**

No matters are reportable

**Zoneton Middle School**

No matters are reportable

**Brooks Elementary School**

No matters are reportable

**Cedar Grove Elementary School**

No matters are reportable

**Crossroads Elementary School**

No matters are reportable

**Freedom Elementary School**

No matters are reportable

**Lebanon Junction Elementary School**

No matters are reportable

**Maryville Elementary School**

No matters are reportable

**BULLITT COUNTY SCHOOL DISTRICT**  
**Management Letter Comments (Continued)**  
**Year Ended June 30, 2024**

**CURRENT YEAR RECOMMENDATIONS (Continued)**

**Mt. Washington Elementary School**

No matters are reportable

**Nichols Elementary School**

No matters are reportable

**Old Mill Elementary School**

No matters are reportable

**Overdale Elementary School**

No matters are reportable

**Pleasant Grove Elementary School**

No matters are reportable

**Roby Elementary School**

No matters are reportable

**Shepherdsville Elementary School**

No matters are reportable

**Riverview Opportunity Center**

No matters are reportable



**BULLITT COUNTY SCHOOL DISTRICT**

**Management Letter Comments (Continued)  
Year Ended June 30, 2024**

**STATUS OF PRIOR YEAR RECOMMENDATIONS**

**CENTRAL OFFICE**

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

Current year follow-up: See 2024-01

**ACTIVITY FUNDS**

**Bullitt Central High School**

No matters are reportable

**Bullitt East High School**

No matters are reportable

**North Bullitt High School**

No matters are reportable

**Bernheim Middle School**

No matters are reportable

**Bullitt Lick Middle School**

No matters are reportable

**Eastside Middle School**

No matters are reportable

**Hebron Middle School**

No matters are reportable

**Mt. Washington Middle School**

No matters are reportable

**Zoneton Middle School**

No matters are reportable

**Brooks Elementary School**

No matters are reportable

**BULLITT COUNTY SCHOOL DISTRICT**  
**Management Letter Comments (Continued)**  
**Year Ended June 30, 2024**

**STATUS OF PRIOR YEAR RECOMMENDATIONS (Continued)**

**Cedar Grove Elementary School**

No matters are reportable

**Crossroads Elementary School**

No matters are reportable

**Freedom Elementary School**

No matters are reportable

**Lebanon Junction Elementary School**

No matters are reportable

**Maryville Elementary School**

No matters are reportable

**Mt. Washington Elementary School**

No matters are reportable

**Nichols Elementary School**

Statement of prior year deficiency: It was noted that the school bookkeeper would collect money and deposit funds on occasion.

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

**Old Mill Elementary School**

No matters are reportable

**Overdale Elementary School**

No matters are reportable

**Pleasant Grove Elementary School**

No matters are reportable

**Roby Elementary School**

No matters are reportable

**Shepherdsville Elementary School**

No matters are reportable

**Riverview Opportunity Center**

No matters are reportable