PRELIMINARY OFFICIAL STATEMENT

DATED APRIL 13, 2021

NEW ISSUE
Electronic Bidding via Parity®
NOT Bank Interest Deduction Eligible
BOOK-ENTRY-ONLY SYSTEM

RATING
Moody's: " "

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sales of these Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

In the opinion of Bond Counsel, under existing law (i) interest on the Bonds will be excludable from gross income of the holders thereof for purposes of federal taxation and (ii) interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, all subject to the qualifications described herein under the heading "Tax Exemption." The Bonds and interest thereon are exempt from income taxation and ad valorem taxation by the Commonwealth of Kentucky and political subdivisions thereof (see "Tax Exemption" herein).

$4,585,000*
BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION SCHOOL BUILDING REVENUE BONDS, SERIES 2021

Dated with Delivery: May 12, 2021 **Due: as shown below**

Interest on the Bonds is payable each May 1 and November 1, beginning November 1, 2021. The Bonds will mature as to principal on May 1, 2022 and thereafter as shown below. The Bonds are being issued in Book-Entry-Only Form and will be available for purchase in principal amounts of $5,000 and integral multiples thereof.

Maturing 1-May	Amount	Interest Rate	Reoffering Yield	CUSIP	Maturing 1-May	Amount	Interest Rate	Reoffering Yield	CUSIP
2022	$5,000	%	%		2032	$280,000	%	%	
2023	$140,000	%	%		2033	$290,000	%	%	
2024	$140,000	%	%		2034	$300,000	%	%	
2025	$145,000	%	%		2035	$305,000	%	%	
2026	$150,000	%	%		2036	$315,000	%	%	
2027	$150,000	%	%		2037	$325,000	%	%	
2028	$150,000	%	%		2038	$335,000	%	%	
2029	$155,000	%	%		2039	$345,000	%	%	
2030	$160,000	%	%		2040	$355,000	%	%	
2031	$165,000	%	%		2041	$375,000	%	%	

The Bonds are subject to redemption prior to their stated maturity as described herein.

Notwithstanding the foregoing, the Corporation reserves the right to call, upon thirty (30) days notice, the Bonds in whole or in part on any date for redemption upon the total destruction by fire, lightning, windstorm or other hazard of any of the building(s) constituting the Project(s) and apply casualty insurance proceeds to such purpose.

The Bonds constitute a limited indebtedness of the Beechwood Independent School District Finance Corporation and are payable from and secured by a pledge of the gross income and revenues derived by leasing the Project on an annually renewable basis to the Beechwood Independent School District Board of Education.

The Secretary of the Beechwood Independent School District Finance Corporation will until April 21, 2021, at 11:00 A.M., E.T., receive sealed bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount awarded by up to $460,000.**

PURCHASER'S OPTION: The Purchaser of the Bonds, within 24 hours of the sale, may specify to the Financial Advisor that any Bonds may be combined immediately succeeding sequential maturities into a Term Bond(s), bearing a single rate of interest, with the maturities set forth above (or as may be adjusted as provided herein) being subject to mandatory redemption in such maturities for such Term Bond(s).

The Bonds will be delivered utilizing the BOOK-ENTRY-ONLY-SYSTEM administered by The Depository Trust Company.

The Corporation deems this preliminary Official Statement to be final for purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof which has been omitted in accordance with such Rule and which will be supplied with the final Official Statement.

RSA advisors

BEECHWOOD INDEPENDENT
BOARD OF EDUCATION

Jeanne Berger, Chairperson
Melanie Stricker, Member
Dr. Ron Savignano, Member
Anisa Willis, Member
Norine Sullivan, Member

Dr. Mike Stacy, Superintendent/Secretary

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
FINANCE CORPORATION

Jeanne Berger, President
Melanie Stricker, Member
Dr. Ron Savignano, Member
Anisa Willis, Member
Norine Sullivan, Member

Dr. Mike Stacy, Secretary
Rae Wise, Treasurer

BOND COUNSEL

Dinsmore & Shohl LLP
Covington, Kentucky

FINANCIAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

U.S. Bank National Association
Louisville, Kentucky

BOOK-ENTRY-ONLY-SYSTEM

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Beechwood Independent School District Finance Corporation School Building Revenue Bonds, Series 2021, identified on the cover page hereof. No person has been authorized by the Corporation or the Board to give any information or to make any representation other than that contained in the Official Statement, and if given or made such other information or representation must not be relied upon as having been given or authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or the Board since the date hereof.

Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except the Corporation will pass upon the accuracy or adequacy of this Official Statement or approve the Bonds for sale.

The Official Statement includes the front cover page immediately preceding this page and all Appendices hereto.

TABLE OF CONTENTS

OFFICIAL STATEMENT
Relating to the Issuance of

$4,585,000*

BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION SCHOOL BUILDING REVENUE BONDS, SERIES 2021

** Subject to Permitted Adjustment*

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the Beechwood Independent School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Series 2021 (the "Bonds").

The Bonds are being issued to finance improvements at Beechwood School (the "Project" herein).

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds will be secured by a statutory mortgage lien and a pledge of the rental income derived by the Corporation from leasing the Project to the Beechwood Independent School District Board of Education (the "Board") on a year to year basis (see "Security" herein).

All financial and other information presented in this Official Statement has been provided by the Beechwood Independent School District Board of Education from its records, except for information expressly attributed to other sources. The presentation of financial and other information is not intended, unless specifically stated, to indicate future or continuing trends in the financial position or other affairs of the Board. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future.

This Official Statement should be considered in its entirety, and no one subject discussed should be considered more or less important than any other by reason of its location in the text. Reference should be made to laws, reports or other documents referred to in this Official Statement for more complete information regarding their contents.

Copies of the Bond Resolution authorizing the issuance of the Bonds and the Contract, Lease and Option, dated May 12, 2021, may be obtained at the office of Dinsmore & Shohl LLP, 50 East Rivercenter Boulevard, Suite 1150, Covington, KY 41011.

BOOK-ENTRY-ONLY-SYSTEM

The Bonds initially will be issued solely in Book-Entry form to be held in the Book-Entry-Only-System maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such Book-Entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and, except as otherwise provided herein with respect to tenders by Beneficial Owners of Beneficial Ownership Interests, Beneficial owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Ordinance.

The following information about the Book-Entry only system applicable to the Bonds has been supplied by DTC. Neither the Corporation nor the Paying Agent and Registrar makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for in the aggregate principal amount of the Bonds and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Paying Agent and Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC or its nominee, the Paying Agent and Registrar or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Paying Agent and Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice the Corporation or the Paying Agent and Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's Book-Entry system has been obtained from sources that the Corporation believes to be reliable but the Corporation takes no responsibility for the accuracy thereof.

THE CORPORATION

The Corporation has been formed in accordance with the provisions of Sections 162.120 through 162.290 and Section 162.385 of the Kentucky Revised Statutes ("KRS"), and KRS Chapter 273 and KRS 58.180, as a non-profit, non-stock corporation for the purpose of financing necessary school building facilities for and on behalf of the Board. Under the provisions of existing Kentucky law, the Corporation is permitted to act as an agency and instrumentality of the Board for financing purposes and the legality of the financing plan to be implemented by the Board herein referred to has been upheld by the Kentucky Court of Appeals (Supreme Court) in the case of White v. City of Middlesboro, Ky. 414 S.W.2d 569.

Any bonds, notes or other indebtedness issued or contracted by the Corporation shall, prior to the issuance or incurrence thereon, be specifically approved by the Board. The members of the Board of Directors of the Corporation are the members of the Board. Their terms expire when they cease to hold the office and any successor members of the Board are automatically members of the Corporation upon assuming their public offices.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION; NO PARTICIPATION IN THIS ISSUE

The Kentucky School Facilities Construction Commission (the "Commission") is an independent corporate agency and instrumentality of the Commonwealth of Kentucky established pursuant to the provisions of Sections 157.611 through 157.640 of the Kentucky Revised Statutes as repealed, amended, and reenacted by the 1990 Regular Session of said General Assembly (the "Act") for the purpose of assisting local school districts in meeting their capital construction needs. The Commission is the successor agency to the Kentucky School Building Authority.

The General Assembly of the Commonwealth adopted the State's Budget for the fiscal year ending June 30, 2021. Inter alia, the Budget provides $124,836,200 in FY 2020-21 to pay debt service on existing and future bond issues; $58,000,000 of the Commission's previous Offers of Assistance made during the last biennium; and authorizes $58,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2022.

The 1986, 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018 and 2020 Regular Sessions of the Kentucky General Assembly appropriated funds to be used for debt service of participating school districts. The appropriations for each biennium are shown in the following table:

Biennium	Appropriation
1986-88	$18,223,200
1988-90	14,050,700
1990-92	13,542,800
1992-94	3,075,300
1994-96	2,800,000
1996-98	4,996,000
1998-00	12,141,500
2000-02	8,100,000
2002-04	9,500,000
2004-06	14,000,000
2006-08	9,000,000
2008-10	10,968,000
2010-12	12,656,200
2012-14	8,469,200
2014-16	8,764,000
2016-18	23,019,400
2018-20	7,608,000
2020-21	2,946,900
Total	$183,861,200

In addition to the appropriations for new financings as shown, appropriations subsequent to that for 1986 included additional funds to continue to meet the annual debt requirements for all bond issues involving Commission participation issued in prior years.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2022

The Kentucky General Assembly is required by the Kentucky Constitution to adopt measures providing for the state's revenues and appropriations for each fiscal year. The Governor is required by law to submit a biennial State Budget (the "State Budget") to the General Assembly during the legislative session held in each even numbered year. State Budgets have generally been adopted by the General Assembly during those legislative sessions, which end in mid-April, to be effective upon the Governor's signature for appropriations commencing for a two-year period beginning the following July 1.

In the absence of a legislatively enacted budget, the Supreme Court has ruled the Governor has no authority to spend money from the state treasury except where there is a statutory, constitutional or federal mandate and the Commonwealth may be prevented from expending funds for certain state governmental functions, including the ability to pay principal of, premium, if any, and interest, when due, on obligations that are subject to appropriation.

Due to the unforeseen nature on the economy of the Commonwealth caused by the COVID-19 pandemic, in its 2020 regular session, the General Assembly adopted only a one-year budget for the biennial period ending June 30, 2022 which was approved and signed by the Governor. The biennial budget will be reviewed and supplemented during the General Assembly's 2021 regular session. Such budget became effective beginning July 1, 2020. The Office of the State Budget Director makes available on its website monthly updates to the General Fund receipts and other Funds of the commonwealth. When published, the updates can be found at www.osbd.ky.gov.

OUTSTANDING BONDS

The following table shows the outstanding Bonds of the Board by the original principal amount of each issue, the current principal outstanding, the amount of the original principal scheduled to be paid with the corresponding interest thereon by the Board or the School Facilities Construction Commission, the approximate interest range; and, the final maturity date of the Bonds:

Bond Series	Original Principal	Current Principal Outstanding	Principal Assigned to Board	Principal Assigned to Commission	Approximate Interest Rate Range	Final Maturity
2011-QSCB	$7,560,000	$7,560,000	$0	$7,560,000	5.000%	2030
2014-REF	$5,315,000	$3,795,000	$4,446,057	$868,943	1.650% - 3.125%	2029
2015	$4,475,000	$3,800,000	$3,326,099	$1,148,901	2.000% - 3.000%	2035
2016	$3,240,000	$3,015,000	$3,240,000	$0	2.000% - 3.000%	2036
2016-REF	$2,940,000	$2,205,000	$2,940,000	$0	2.000% - 2.375%	2030
2018	$1,900,000	$1,790,000	$1,510,247	$389,753	3.000% - 3.500%	2038
TOTALS:	$25,430,000	$22,165,000	$15,462,403	$9,967,597		

AUTHORITY

The Board of Directors of the Corporation has adopted a Bond Resolution which authorized among other things:

i) the issuance of approximately $4,585,000 of Bonds subject to a permitted adjustment by increasing or decreasing the amount awarded by up to $460,000;

ii) the advertisement for the public sale of the Bonds;

iii) the Official Terms and Conditions for the sale of the Bonds to the successful bidder; and,

iv) the President and Secretary of the Corporation to execute certain documents relative to the sale and delivery of the Bonds.

THE BONDS

General

The Bonds will be dated May 12, 2021, will bear interest from that date as described herein, payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2021, and will mature as to principal on May 1, 2022 and thereafter in the years and in the principal amounts as set forth on the cover page of this Official Statement.

Registration, Payment and Transfer

The Bonds are to be issued in fully-registered form (both principal and interest). U.S. Bank National Association, Louisville, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date (May 1 and Novemer 1) to each Registered Owner of record as of the 15th day of the month preceding the due date April 15 and October 15) which shall be Cede & Co., as the nominee of The Depository Trust Company. Please see Book-Entry-Only-System.

Redemption

The Bonds scheduled to mature on and after May 1, 2029, are subject to redemption at the option of the Corporation prior to their stated maturities on any date falling on or after May 1, 2028, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, expressed in percentages of the principal amount with respect to each redeemed Bond as set forth below, plus accrued interest to the date of redemption:

Redemption Dates (inclusive)	Redemption Price
May 1, 2028 and thereafter	100%

Notwithstanding the foregoing, the Corporation reserves the right to call, upon thirty (30) days notice, the Bonds in whole or in part on any date for redemption upon the total destruction by fire, lightning, windstorm or other hazard of any of the building(s) constituting the Project(s) and apply casualty insurance proceeds to such purpose.

SECURITY

General

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds are payable as to both principal and interest solely from the income and revenues derived from the leasing of the Project acquired and constructed from the Bond proceeds from the Corporation to the Board.

Mortgage Lien

The Bonds are secured by a statutory mortgage lien and a pledge of revenues on and from the site of the Project.

The Lease

The Board has leased the school Project securing the Bonds for an initial period from May 12, 2021 through June 30, 2021 with the option in the Board to renew said Lease from year to year for one year at a time, at annual rentals, sufficient in each year to enable the Corporation to pay, solely from the rental due under the Lease, the principal and interest on all of the Bonds as same become due. The Lease provides further that so long as the Board exercises its annual renewal options, its rentals will be payable according to the terms and provisions of the Lease until May 1, 2041, the final maturity date of the Bonds.

THE PROJECT

After payment of the Bond issuance costs, the Board plans to deposit the net Bond proceeds to finance improvements at Beechwood School (the "Project").

The Board has reported construction bids have been let for the Project and approval of the Kentucky Department of Education, Buildings and Grounds, to award the construction contract is expected prior to the sale and delivery of the Bonds.

Contractors for the Project are required to furnish to the Board a one hundred percent completion bond to assure their performance of the construction contract.

STATE INTERCEPT

Under the terms of the Lease and any renewal thereof, so long as the Bonds remain outstanding and in conformance with the intent and purpose of KRS 157.627(5) and KRS 160.160(5), in the event of a failure by the Board to pay the rentals due under the Lease, and unless sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying said rentals when due, the Board has granted under the terms of the Lease and Participation Agreement to the Corporation the right to notify and request the Kentucky Department of Education to withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board and to request said Department or Commissioner of Education to transfer the required amount thereof to the Paying Agent for the payment of such rentals.

ADDITIONAL PARITY BONDS FOR COMPLETION OF PROJECT

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said land and school building Project and secured by the same statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds may be necessary to pay the costs, for which funds are not otherwise available, of completing the construction of said school building Project in accordance with the plans and specifications of the architect in charge of said Project, which plans have been completed, approved by the Board, Kentucky Department of Education, and filed in the office of the Secretary of the Corporation.

ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board. The plan of financing provides for the Board to pay 100% of the debt service of the bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	-----------Series 2021 Revenue Bonds----------			Total Local Bond Payments
		Principal Portion	Interest Portion	Total Payment	
2021	$1,097,938				$1,097,938
2022	$1,096,540	$5,000	$130,570	$135,570	$1,232,110
2023	$1,094,878	$140,000	$134,585	$274,585	$1,369,463
2024	$1,095,031	$140,000	$131,785	$271,785	$1,366,816
2025	$1,091,230	$145,000	$128,985	$273,985	$1,365,215
2026	$1,092,225	$150,000	$126,085	$276,085	$1,368,310
2027	$1,093,756	$150,000	$123,085	$273,085	$1,366,841
2028	$1,093,181	$150,000	$120,085	$270,085	$1,363,266
2029	$1,096,093	$155,000	$117,085	$272,085	$1,368,178
2030	$1,095,317	$160,000	$112,435	$272,435	$1,367,752
2031	$1,092,349	$165,000	$107,635	$272,635	$1,364,984
2032	$913,566	$280,000	$102,685	$382,685	$1,296,251
2033	$916,584	$290,000	$94,285	$384,285	$1,300,869
2034	$914,696	$300,000	$85,585	$385,585	$1,300,281
2035	$916,964	$305,000	$76,585	$381,585	$1,298,549
2036	$773,187	$315,000	$67,435	$382,435	$1,155,622
2037	$289,164	$325,000	$57,985	$382,985	$672,149
2038	$288,838	$335,000	$47,260	$382,260	$671,098
2039		$345,000	$36,205	$381,205	$381,205
2040		$355,000	$24,820	$379,820	$379,820
2041		$375,000	$12,750	$387,750	$387,750
TOTALS:	$17,051,537	$4,585,000	$1,837,930	$6,422,930	$23,474,467

Notes: Numbers are rounded to the nearest $1.00.

ESTIMATED USE OF BOND PROCEEDS

The table below shows the estimated sources of funds and uses of proceeds of the Bonds, other than any portions thereof representing accrued interest:

Sources:	
Par Amount of Bonds	$4,585,000.00
Total Sources	$4,585,000.00
Uses:	
Deposit to Construction Fund	$4,448,610.00
Underwriter's Discount (2%)	91,700.00
Cost of Issuance	44,690.00
Total Uses	$4,585,000.00

DISTRICT STUDENT POPULATION

Selected school census, enrollment and average daily attendance for the Beechwood Independent School District is as follows:

Year	Average Daily Attendance	Year	Average Daily Attendance
2000-01	931.2	2010-11	1,082.8
2001-02	932.6	2011-12	1,099.6
2002-03	935.5	2012-13	1,134.2
2003-04	932.4	2013-14	1,174.5
2004-05	946.4	2014-15	1,209.0
2005-06	942.2	2015-16	1,265.6
2006-07	953.3	2016-17	1,314.5
2007-08	984.8	2017-18	1,311.8
2008-09	1,001.6	2018-19	1,296.5
2009-10	1,008.2	2019-20	1,352.1

Source: Kentucky State Department of Education.

STATE SUPPORT

Support Education Excellence in Kentucky (SEEK). In determining the cost of the program to Support Education Excellence in Kentucky (SEEK), the statewide guaranteed base funding level is computed by dividing the amount appropriated by the prior year's statewide average daily attendance. The SEEK fund is a guaranteed amount of money per pupil in each school district of Kentucky. The current SEEK allotment is $3,827 per pupil. The $100 capital outlay allotment per each average daily attendance is included within the guaranteed amounts. Each district's base funding from the SEEK program is adjusted for the number of at-risk students, the number and types of exceptional children in the district, and cost of transporting students from and to school in the district.

Capital Outlay Allotment. The per pupil capital outlay allotment for each district from the public school fund and from local sources shall be kept in a separate account and may be used by the district only for capital outlay projects approved by the State Department of Education. These funds shall be used for the following capital outlay purposes:

a. For direct payment of construction costs.
b. For debt service on voted and funding bonds.
c. For payment or lease-rental agreements under which the board will eventually acquire ownership of the school plant.
d. For retirement of any deficit resulting from over-expenditure for capital construction, if such deficit resulted from certain declared emergencies.
e. As a reserve fund for the above named purposes, to be carried forward in ensuing budgets.

The allotment for each school board of education in the Commonwealth for fiscal year 1978-79 was $1,800 per classroom unit. The 1979 Session of the Kentucky General Assembly approved increases in this allotment in 1979-80 to $1,900 per classroom unit. This rate remained unchanged in 1980-81. The 1981 Session of the Kentucky General Assembly decreased the allotment per classroom to $1,800 and this allotment rate did not change from the 1981-82 rate, until the 1990-91 school year. Beginning with 1990-91, the Capital Outlay allotment for each district is based on $100 per average daily attendance.

The following table shows the computation of the capital outlay allotment for the Beechwood Independent School District for certain preceding school years.

Year	Capital Outlay Allotment	Year	Capital Outlay Allotment
2000-01	93,120.0	2010-11	108,280.0
2001-02	93,260.0	2011-12	109,963.0
2002-03	93,550.0	2012-13	113,417.0
2003-04	93,240.0	2013-14	117,452.0
2004-05	94,640.0	2014-15	120,896.0
2005-06	94,220.0	2015-16	126,560.0
2006-07	95,330.0	2016-17	131,450.0
2007-08	98,480.0	2017-18	131,180.0
2008-09	100,155.0	2018-19	129,651.0
2009-10	100,816.0	2019-20	135,210.0

If the school district has no capital outlay needs, upon approval from the State, the funds can be used for school plant maintenance, repair, insurance on buildings, replacement of equipment, purchase of school buses and purchase of modern technological equipment for educational purposes. If any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of the levy for eligible purposes, the State may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses (school districts which use capital outlay allotments to meet current expenses are not eligible to participate in the School Facilities Construction Commission funds).

Facilities Support Program of Kentucky. School districts may be eligible to participate in the Facilities Support Program of Kentucky (FSPK), subject to the following requirements:

1) The district must have unmet needs as set forth and approved by the State Department of Education in a School Facilities Plan;
2) The district must commit to establish an equivalent tax rate of at least 5 cents, in addition to the 30 cents minimum current equivalent tax rate; and,
3) The new revenues generated by the 5 cent addition, must be placed in a restricted account for school building construction bonding.

LOCAL SUPPORT

Homestead Exemption. Section 170 of the Kentucky Constitution was amended at the General Election held November 2, 1971, to exempt from property taxes $6,500 of value of single unit residential property of taxpayers 65 years of age or older. The 1972 General Assembly amended KRS Chapter 132 to permit counties and school districts to adjust their local tax revenues lost through the application of this Homestead Exemption. The "Single Unit" qualification has been enlarged to subsequent sessions of the General Assembly to provide that such exemption shall apply to such property maintained as the permanent resident of the owner and the dollar amount has been construed to mean $6,500 in terms of the purchasing power of the dollar in 1972. Every two years thereafter, if the cost of living index of the U.S. Department of Labor has changed as much as 1%, the maximum exemption shall be adjusted accordingly. Under the cost of living formula, the maximum was increased to $39,300 effective January 1, 2019.

Limitation on Taxation. The 1979 Special Session of the Kentucky General Assembly enacted House Bill 44 which provides that no school district may levy a general tax rate, voted general tax rate, or voted building tax rate which would generate revenues that exceeds the previous years revenues by four percent (4%).

The 1990 Regular Session of the Kentucky General Assembly in enacting the "School Reform" legislative package amended the provisions of KRS 160.470 which prohibited school districts from levying ad valorem property taxes which would generate revenues in excess of 4% of the previous year's revenues without said levy subject to recall to permit exceptions to the referendum under (1) KRS 160.470(12) [a new section of the statute] and (2) an amended KRS 157.440.

Under KRS 160.470(12)(a) for fiscal years beginning July 1, 1990 school districts are required to levy a "minimum equivalent tax rate" of thirty cents ($.30) for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes (including occupational or utilities) levied by the district for school purposes divided by the total assessed value of property plus the assessment for motor vehicles certified by the State Revenue Cabinet. Failure to levy the minimum equivalent rate subjects the board of the district to removal.

The exception provided by KRS 157.440(1)(a) permits school districts to levy an equivalent tax rate as defined in KRS 160.470(12)(a) which will produce up to 15% of those revenues guaranteed by the program to support education excellence in Kentucky. Levies permitted by this section of the statute are not subject to public hearing or recall provisions as set forth in KRS 160.470.

Local Thirty Cents Minimum. Effective for school years beginning after June 30, 1990, the board of education of each school district shall levy a minimum equivalent tax rate of thirty cents ($0.30) for general school purposes. If a board fails to comply, its members shall be subject to removal from office for willful neglect of duty.

Additional 15% Not Subject to Recall. Effective with the school year beginning July 1, 1990, each school district may levy an equivalent tax rate which will produce up to 15% of those revenues guaranteed by the SEEK program. Effective with the 1990-91 school year, the State will equalize the revenue generated by this levy at one hundred fifty percent (150%) of the statewide average per pupil equalized assessment. For 1993-94 and thereafter, this level is set at $225,000. The additional 15% rate levy is not subject to the public hearing or recall provisions.

Assessment Valuation. No later than July 1, 1994, all real property located in the state and subject to local taxation shall be assessed at one hundred percent (100%) of fair cash value.

Special Voted and Other Local Taxes. Any district may, in addition to other taxes for school purposes, levy not less than four cents nor more than twenty cents on each one hundred dollars ($100) valuation of property subject to local taxation, to provide a special fund for the purchase of sites for school buildings and the erection, major alteration, enlargement, and complete equipping of school buildings. In addition, districts may levy taxes on tangible and intangible property and on utilities, except generally any amounts of revenues generated above that provided for by House Bill 44 is subject to voter recall.

Local Tax Rates, Property Assessments and Revenue Collections

Tax Year	Combined Equivalent Rate	Total Property Assessment	Property Revenue Collections
2000-01	60.1	413,639,265	2,485,972
2001-02	58	412,993,299	2,395,361
2002-03	75.5	466,471,835	3,521,862
2003-04	75.5	478,334,560	3,611,426
2004-05	71.4	488,119,343	3,485,172
2005-06	74.5	505,312,507	3,764,578
2006-07	72.9	532,346,896	3,880,809
2007-08	74.5	540,837,439	4,029,239
2008-09	76.9	555,596,108	4,272,534
2009-10	76.9	555,551,471	4,272,191
2010-11	80.7	565,888,742	4,566,722
2011-12	77.6	576,441,673	4,473,187
2012-13	81.2	580,926,474	4,717,123
2013-14	83.2	586,663,899	4,881,044
2014-15	90.5	613,402,592	5,551,293
2015-16	89.6	636,393,333	5,702,084
2016-17	89	651,644,151	5,799,633
2017-18	90.3	668,489,047	6,036,456
2018-19	89.8	694,732,843	6,238,701
2019-20	99.1	729,079,509	7,225,178

Overlapping Bond Indebtedness

The following table shows any other overlapping bond indebtedness of the Beechwood Independent School District or other issuing agency within the County as reported by the State Local Finance Officer for the period ending June 30, 2020.

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
County of Kenton			
General Obligation	$31,320,000	$2,710,000	$28,610,000
Court Facility	$31,925,000	$12,705,000	$19,220,000
Housing Facilities Revenue	$26,375,000	$0	$26,375,000
Building Revenue	$3,000,000	$2,090,000	$910,000
Refinancing Refunding Revenue	$69,130,000	$12,125,000	$57,005,000
City of Covington			
General Obligation	$60,820,000	$15,753,202	$45,066,798
Building Revenue	$3,225,000	$2,320,000	$905,000
Multi-Family Housing	$14,950,000	$0	$14,950,000
Refunding Revenue	$17,500,000	$0	$17,500,000
City of Crestview Hills			
General Obligation	$2,565,000	$1,705,000	$860,000
Building Revenue	$7,180,000	$4,340,000	$2,840,000
City of Edgewood			
General Obligation	$7,965,000	$4,561,371	$3,403,629

City of Erlanger			
General Obligation	$2,560,000	$2,335,000	$225,000
City of Ft. Mitchell			
KLC Funding Trust Revenue	$50,000,000	$0	$50,000,000
City of Ft. Wright			
General Obligation	$733,361	$287,805	$445,556
City of Independence			
General Obligation	$10,225,000	$6,625,000	$3,600,000
City of Lakeside Park			
General Obligation	$1,000,000	$900,122	$99,878
Multiple Purposes Revenue	$800,000	$426,666	$373,334
City of Latonia Lakes			
Sewer Revenue	$198,000	$79,000	$119,000
City of Ludlow			
General Obligation	$2,165,000	$473,655	$1,691,345
City of Park Hills			
General Obligation	$2,500,000	$666,667	$1,833,333
City of Villa Hills			
General Obligation	$750,000	$245,235	$504,765
Special Districts			
Independence Fire Protection District	$2,013,266	$1,647,953	$365,313
Kenton County Extension District	$1,430,000	$70,000	$1,360,000
Kenton County Public Library	$15,745,000	$7,770,000	$7,975,000
Planning & Developing Services	$2,225,000	$970,000	$1,255,000
Sanitation District No. 1	$371,015,000	$42,235,000	$328,780,000
Kenton County Airport Board	$849,759,989	$206,915,390	$642,844,599
Totals:	$1,589,074,616	$329,957,066	$1,259,117,550

Source: 2020 Kentucky Local Debt Report.

SEEK ALLOTMENT

The Board has reported the following information as to the SEEK allotment to the District, and as provided by the State Department of Education.

SEEK	Base Funding	Local Tax Effort	Total State & Local Funding
2000-01	2,019,783	2,485,972	4,505,755
2001-02	2,154,944	2,395,361	4,550,305
2002-03	2,000,387	3,521,862	5,522,249
2003-04	2,052,151	3,611,426	5,663,577
2004-05	2,100,139	3,485,172	5,585,311
2005-06	2,260,800	3,764,578	6,025,378
2006-07	2,333,420	3,880,809	6,214,229
2007-08	2,785,188	4,029,239	6,814,427
2008-09	2,833,325	4,272,534	7,105,859
2009-10	2,757,743	4,272,191	7,029,934
2010-11	2,997,183	4,566,722	7,563,905
2011-12	3,260,960	4,473,187	7,734,147
2012-13	3,348,237	4,717,123	8,065,360
2013-14	3,492,117	4,881,044	8,373,161
2014-15	3,750,191	5,551,293	9,301,484
2015-16	4,138,026	5,702,084	9,840,110
2016-17	4,311,690	5,799,633	10,111,323
2017-18	4,282,651	6,036,456	10,319,107
2018-19	4,194,456	6,238,701	10,433,157
2019-20	4,317,342	7,225,178	11,542,520

(1) Support Education Excellence in Kentucky (SEEK) replaces the minimum foundation program and power equalization funding. Capital Outlay is now computed at $100 per average daily attendance (ADA). Capital Outlay is included in the SEEK base funding.

(2) The Board established a current equivalent tax rate (CETR) of $0.991 for FY 2019-20. The equivalent tax rate" is defined as the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Commonwealth of Kentucky Revenue Cabinet.

State Budgeting Process

i) Each district board of education is required to prepare a general school budget on forms prescribed and furnished by the Kentucky Board of Education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the school during the succeeding fiscal year and the estimated amount that will be received from all sources.

ii) By September 15 of each year, after the district receives its tax assessment data from the Department of Revenue and the State Department of Education, 3 copies of the budget are forwarded to the State Department for approval or disapproval.

iii) The State Department of Education has adopted a policy of disapproving a school budget if it is financially unsound or fails to provide for:

a) payment of maturing principal and interest on any outstanding voted school improvement bonds of the district or payment of rental in connection with any outstanding school building revenue bonds issued for the benefit of the school district; or

b) fails to comply with the law.

CONTINUING DISCLOSURE

As a result of the Board and issuing agencies acting on behalf of the Board having outstanding at the time the Bonds referred to herein are offered for public sale municipal securities in excess of $1,000,000, the Corporation and the Board will enter into a written agreement for the benefit of all parties who may become Registered or Beneficial Owners of the Bonds whereunder said Corporation and Board will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12 by filing annual financial statements and material events notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

The Board has been timely in making all required disclosure filings in the past five (5) years.

The Board has adopted new procedures to assure timely and complete filings in the future with regard to the Rule in order to provide required financial reports and operating data or notices of material events.

TAX EXEMPTION; NOT BANK QUALIFIED

Bond Counsel is of the opinion that:

(A) The Bonds and the interest payable thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions

(B) Interest payable on the Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax. The Corporation has covenanted to comply with the applicable provisions of the Code, and such compliance by the corporation is necessary to maintain the federal income tax status described above. No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds.

(C) The Corporation has NOT designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Code.

The Corporation has covenanted to comply with the applicable provisions of the Code, and such compliance by the Corporation is necessary to maintain the federal income tax status described above. No opinion is expressed regarding other federal tax consequences arising with respect to Bonds.

COVID-19

The recent outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States and the Commonwealth of Kentucky, has been declared a Pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. On March 13, 2020, President Donald Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic.

While the collection of property taxes, which are a significant source of building fund revenue for the payment of principal and interest due on the bonds (see "LOCAL SUPPORT" herein) may be impacted by the COVID-19 emergency, the District does not expect the impact to be significant unless the economic hardship is long term. In addition, the Commonwealth of Kentucky revenues are also likely to be impacted by a long-term economic hardship caused by declining collections of sales taxes, wage taxes, income taxes, property taxes and other revenue sources. The impact of those declining revenue collections on state education funds (see "STATE SUPPORT" herein) is unknown. Although the potential impact of the virus on the Commonwealth and the Board of Education's future ability to make payments under the Lease cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the Board of Education and ultimately, the Corporation.

On March 24, 2020 the Governor of Kentucky signed Senate Bill 177 which provides relief to Kentucky School Districts in light of the Coronavirus emergency. Among other things, it removes the limits on the number of days that a district can utilize an approved Non-Traditional Instruction program ("NTI"). Senate Bill 177 also authorizes Kentucky Superintendents to use their school year 2018-2019 attendance data on their Superintendent's Annual Attendance Report. The report determines a district's average daily attendance used in calculating Support Education Excellence in Kentucky ("SEEK") funds. On Friday, Dec. 18, 2020, Gov. Andy Beshear issued Executive Order No. 2020-1041 (EO 2020-1041), which outlines requirements and recommendations for the reopening of schools in January 2021. For more information on the Kentucky Department of Education's response to COVID 19, please see their website at https://education.ky.gov/comm/Pages/COVID-19-Updates.aspx.

LITIGATION

There is no litigation presently pending against the Corporation or the District, nor to the knowledge of the officials of the Corporation or the District is there any litigation threatened, which questions or affects the validity of the Bonds or any proceedings or transactions relating to the issue, sale and delivery thereof.

APPROVAL OF LEGALITY

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving legal opinion of Dinsmore & Shohl LLP, Covington, Kentucky, Kentucky, Bond Counsel. The form of the approving legal opinion of Bond Counsel will appear on each printed Bond.

NO LEGAL OPINION EXPRESSED AS TO CERTAIN MATTERS

Bond Counsel has reviewed the information contained in the Official Statement describing the Bonds and the provisions of the Bond Resolution and related proceedings authorizing the Bonds, but Bond Counsel has not reviewed any of the financial data, computations, tabulations, balance sheets, financial projections, and general information concerning the Corporation or District, and expresses no opinion thereon, assumes no responsibility for same and has not undertaken independently to verify any information contained herein.

BOND RATING

As noted on the cover page of this Official Statement, Moody's Investors Service has given the Bonds the indicated rating. Such rating reflects only the respective views of such organization. Explanations of the significance of the rating may be obtained from the rating agency. There can be no assurance that such rating will be maintained for any given period of time or will not be revised or withdrawn entirely by the rating agency, if in their judgement circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Prospective bidders are advised that RSA Advisors, LLC ("RSA") has been employed as Financial Advisor in connection with the issuance of the Bonds. RSA's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof. Bidders may submit a bid for the purchase of the Bonds at the time of the advertised public sale, either individually or as a member of a syndicate organized to submit a bid for the purchase of the Bonds.

APPROVAL OF OFFICIAL STATEMENT

The Corporation has approved and caused this "Official Statement" to be executed and delivered by its President. In making this "Official Statement" the Corporation relied upon information furnished to it by the Board of Education of the Beechwood Independent School District and does not assume any responsibility as to the accuracy or completeness of any of the information in this Official Statement except as to copies of documents denominated "Official Terms and Conditions" and "Bid Form." The financial information supplied by the Board of Education is represented by the Board of Education to be correct. The Corporation deems this preliminary Official Statement to be final for purposes of Securities Exchange Commission Rule 15c2-12(b)(1) as qualified by the cover hereof.

No dealer, broker, salesman, or other person has been authorized by the Corporation, the Beechwood Independent School District Board of Education or the Financial Advisor to give any information or representations, other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except when otherwise indicated, the information set forth herein has been obtained from the Kentucky Department of Education and the Beechwood Independent School District and is believed to be reliable; however, such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Financial Advisor or by Counsel. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to the date hereof.

This Official Statement does not, as of its date, contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which the Official Statement is to be used or which is necessary in order to make the statements contained herein, in the light of the circumstances under which they were made, not misleading in any material respect.

By /s/______________________
President

By /s/______________________
Secretary

APPENDIX A

Beechwood Independent School District Finance Corporation
School Building Revenue Bonds
Series 2021

Demographic and Economic Data

NORTHERN KENTUCKY

Kenton County was established on January 29, 1840. According to the U.S. Census Bureau, the county has a total area of 164 square miles, of which 160 square miles is land and 4.1 square miles is water. The county is located at the confluence of the Licking River and Ohio River, in the outer Bluegrass area of the Bluegrass region of the state. The elevation in the county ranges from 455 feet (139 m) to 960 feet (293 m) above sea level. Kenton County is in the Northern Kentucky Area.

The Bluegrass region was the most quickly settled part of the state and now is home to about half the state's population. The Northern Kentucky Area, covering a total land area of 559 square miles, is composed of Boone, Campbell, and Kenton Counties; and is ideally situated along and adjacent to the south bank of the Ohio River, immediately south of Cincinnati, Ohio. These three counties are a part of the Cincinnati Metropolitan Statistical Area. Kenton County had an estimated 2019 population of 166,051.

The Northern Kentucky Area forms the northern apex of an industrial triangle anchored by Louisville on the southwest and Lexington on the southeast. Within the triangle are more than one-third of the state's population and nearly one-half of its manufacturing jobs. The interstate highway system places these three metropolitan areas within less than two hours driving from each other.

The Economic Framework

Kenton County has a labor force of 88,499 people with an unemployment rate of 3.5%. The total number of people employed in 2019 averaged 73,878. The top 5 jobs by occupation are as follows: office and administrative support - 9,790 (13.25%); production workers - 7,074 (9.58%); sales - 6,858 (9.28%); executive managers and administrators - 6,823 (9.24%); and food preparation/serving - 4,880 (6.61%).

Transportation

Major highways serving Kenton, Campbell, and Kenton Counties include Interstates 71, 75, 275, and 471; U.S. Highways 42/127, 25, and 27. The Greater Cincinnati-Northern Kentucky International Airport, located in Kenton County, Kentucky, provides commercial airline service. The airport is a major hub for Delta Airlines. The Southern Railway System and CSX Transportation provide main line rail service to the area. Several barge and towing companies provide barge transportation on the Ohio River. The Port of Cincinnati extends 30 miles along both banks of the Ohio River.

Power and Fuel

Electric power is provided to Kenton, Campbell, and Kenton Counties by Duke Energy Kentucky, E. ON US/KU, East Kentucky Power Cooperative and Owen Electric Cooperative, Inc. Natural gas service is provided to major portions of the three-county area by Duke Energy Kentucky.

LABOR MARKET STATISTICS

The Labor Market Area includes Kenton, Campbell, Gallatin, Grant, Kenton and Pendleton counties in Kentucky. The Labor Market Area is supplemented by the Ohio counties of Hamilton, Butler, Clermont and Warren; and Dearborn County in Indiana.

Population

	2015	2016	2017	2018	2019
Kenton County	164,092	164,676	164,410	166,051	166,051

Source: Kentucky State Data Center, University of Louisville.

Population Projections

	2025	2030	2035
Kenton County	173,041	176,039	178,392

Source: Kentucky Data Center, University of Louisville.

EDUCATION

Public Schools

	Kenton County	Beechwood Independent	Covington Independent	Erlanger-Elsmere Independent	Ludlow Independent
Total Enrollment (2018-2019)	14,561	1,384	3,566	2,454	798
Pupil-Teacher Ratio (2018-2019)	17 - 1	16 - 1	12 - 1	15 - 1	14 - 1

Vocational - Technical Schools

Institution	Location	Enrollment (2017-2018)
Kenton County Academies of Innovation	Ft. Mitchell, KY	534
Campbell County ATC	Alexandria, KY	298
Boone County ATC	Hebron, KY	217
Carroll County ATC	Carrollton, KY	726
Harrison County ATC	Cynthiana, KY	746
Mason County ATC	Maysville, KY	181
Elkhorn Crossing School	Georgetown, KY	863

Colleges and Universities

38.4% of the population in Kenton County have an Associate's degree or higher. 90.21% have a high school degree or higher.

Top 5 Universities within 50 miles	Number of Graduates
University of Cincinnati (Main Campus)	9,508
Miami University - Oxford	5,396
Northern Kentucky University	2,957
Xavier University	1,814
Cincinnati State Technical & Community College	1,204

Source: Kentucky Cabinet for Economic Development

EXISTING INDUSTRY

Firm	Product	Total Employed
Alexandria		
Tyson-Hillshire Brands	Little Smokies (cocktails), hot dogs, sliced lunch meat	758
Covington		
Club Chef LLC	Processor of fresh cut produce	525
Fidelity Investments	Financial Services that support Fidelity's core mutual fund, brokerage & retirement operations	4,500
Erlanger		
DHL Express	Airfreight delivery service, international hub & distribution facility	2,800
Wild Flavors Inc.	Headquarters, administration, research & development, pilot plants, manufacturing & ADM Global IT Service Center	506
Florence		
Citicorp Credit Services	Financial services customer service center	2,485
Mazak Corporation	Machine tools, general machining & assembly, administration, warehouse, engineering, technology center, North American Headquarters	676
Mubea Inc	Automotive component parts	1,017
Novolex	Paper bags & administrative work	578
Robert Bosch Automotive Steering	Steering gears for car & light truck market	1,200
SFC Global Supply Chain	Frozen pizzas	750
Southern Graphic Systems	Color separation, packaging artwork production, prepress, image carrier manufacturing	147
Hebron		
CVG1 – Amazon	Distribution center	1,000
CVG2 – Amazon	Wholesale distribution, returns facility	2,000
CVG3 – Amazon	Distribution center	1,000
Pomeroy	Headquarters, computer service & sales	615
Toyota North American KY	Parts warehouse/distribution center/hub	600
Independence		
Cengage Distribution Center	Book distribution center	800
FedEx Ground Package System Inc.	Distribution center, package sorting center	700
Richwood		
Radial Inc.	E-commerce distribution & fulfillment	541
Walton		
Radial Inc.	Distribution & logistics	554

Source: Kentucky Cabinet for Economic Development (1/1/2020).

APPENDIX B

Beechwood Independent School District Finance Corporation
School Building Revenue Bonds
Series 2021

Audited Financial Statement for FY Ending June 30, 2020

BEECHWOOD INDEPENDENT SCHOOL DISTRICT

June 30, 2020

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT INCLUDING SUPPLEMENTARY INFORMATION

Beechwood
INDEPENDENT SCHOOLS

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
TABLE OF CONTENTS

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)

PAGE

VonLehman
CPA & ADVISORY FIRM

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beechwood Independent School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beechwood Independent School District as of June 30, 2020, 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.

Emphasis of Matter

As discussed in the notes to the financial statements, the previously issued financial statements for the year ended June 30, 2019 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities,* and the correction of material misstatements. Our opinion is not modified with respect to those matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 - 6, budgetary comparison information on pages 49 - 50, the pension schedules on pages 51 - 52, and the OPEB schedules on pages 53 - 55 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 Beechwood Independent School District's basic financial statements. The combining and individual non-major fund financial statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and other supplementary information 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 non-major fund financial statements and other supplementary information 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 September 23, 2020, on our consideration of the Beechwood Independent 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Beechwood Independent School District's internal control over financial reporting and compliance.

VonLehman & Company Inc.

Fort Wright, Kentucky
September 23, 2020

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

As management of the Beechwood Independent School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

Financial Highlights

The District served 1,423 enrolled students in a unique preK-12 public school district located in Fort Mitchell, Kentucky. Throughout history, Beechwood schools have been noted for their sense of tradition and academic excellence.

A remodeled Tiger Zone was completed in 2020 with outside access. Starting March 16, 2020 classes were taught remotely through the end of the school year due to the COVID-19 pandemic.

The General Fund had $14,301,263 in revenue, which primarily consisted of local real estate and property taxes, the state program (SEEK), on-behalf payments, local out-of-district tuition, utilities, tax and motor vehicle taxes. Excluding inter-fund transfers, there was $14,000,982 in General Fund expenditures.

Overview of Financial Statements

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

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

The statement of net position presents information on all of the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District at year-end, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt are also supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 7 through 9 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The proprietary funds of the District include its food service operations. All other activities of the District are included in the governmental funds. The basic governmental fund financial statements can be found on pages 10 through 14 of this report.

Notes to the financial statements: The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 48 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by approximately $6.9 million as of June 30, 2020.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets. The table below provides a summary of the District's net position for 2020 compared to 2019.

Net Position for the Periods Ended June 30, 2020 and 2019

	June 30, 2020	June 30, 2019 (As Restated)
Current Assets	$ 7,446,349	$ 5,903,807
Noncurrent Assets	29,902,565	30,809,360
Total Assets	37,348,914	36,713,167
Deferred Outflows of Resources	1,782,735	1,563,646
Total Assets and Deferred Outflows of Resources	39,131,649	38,276,813
Current Liabilities	1,225,310	1,232,352
Noncurrent Liabilities	29,821,467	30,543,468
Total Liabilities	31,046,777	31,775,820
Deferred Inflows of Resources	1,175,147	617,006
Total Liabilities and Deferred Inflows of Resources	32,221,924	32,392,826
Net Investment in Capital Assets	7,091,104	7,181,955
Restricted	5,175,450	3,021,358
Unrestricted	(5,356,829)	(4,319,326)
Total Net Position	$ 6,909,725	$ 5,883,987

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

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

Total assets increased by $635,747. The majority of the increase is the Commonwealth escrowing funds on the District's behalf for future bond payments as well as the District setting aside funds for future needs. In addition, a double nickel effective tax levied in May of 2020 for future construction was collected. However, construction has not yet started. These tax funds are held in the building fund.

Total liabilities decreased by $729,043. The majority of the decrease in liabilities is due to the normal bond payments made on outstanding bonds issued in previous years. No new bonds were issued for the year ended June 30, 2020.

Net position increased by $1,025,738 during the year ended June 30, 2020. This increase is the result of the double nickel effective tax levied in May of 2020 and held for future construction. This construction is anticipated to begin in 2021.

The following table presents a summary of revenue and expense for the fiscal years ended June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019 (As Reported)
Revenues		
Program Revenues		
Charges for Services	$ 918,389	$ 951,868
Operating Grants and Contributions	1,506,585	1,544,840
Capital Grants and Contributions	550,121	550,119
Total Program Revenues	2,975,095	3,046,827
General Revenues		
Taxes	7,162,415	6,280,034
Federal and State Aid not Restricted to Specific Purposes	8,141,764	7,766,098
Investment Earnings	136,681	144,120
Gain (Loss) on Disposal of Capital Assets	851	(264)
Miscellaneous	961,970	275,635
Total General Revenues	16,403,681	14,465,623
Total Revenues	19,378,776	17,512,450
Expenses		
Instructional	10,792,580	9,899,731
Student Support Services	723,494	632,688
Instructional Staff Support Services	375,750	416,200
District Administration	633,032	570,405
School Administration	700,696	663,232
Business Support Services	544,097	489,980
Plant Operation and Maintenance	1,247,742	1,278,072
Student Transportation	66,836	75,141
Food Service Operations	492,166	580,275
Depreciation Expense	989,703	1,009,131
Pension Expense	731,033	601,135
OPEB Expense	234,425	360,459
Interest on Long-Term Debt	821,484	843,524
Total Expenses	18,353,038	17,419,973
Change in Net Position	$ 1,025,738	$ 92,477

Tax revenue increased $882,381 due to the collection of the double nickel effective tax levied in May 2020 and a slight increase in property assessments.

Miscellaneous revenue increased $686,335 due to increased donations and the recording of student activity funds within the District financial statements starting in year ended June 30, 2020.

Increase in overall expenses is due to increased instructional spending primarily due to increased payroll and related benefits.

The increase in Federal and State Aid not Restricted for Specific Purposes is primarily from an increase in State SEEK funds as well as an increase in State pension funding.

Financial Analysis of the District's Major Funds

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

General Fund: The general fund is the primary operating fund of the District. It is used to account for all financial transactions expect those required to be accounted for in another fund. During the year ended June 30, 2020, the general fund had $14,301,263 in revenue and $14,000,982 in expenses before transfers to other funds.

Special Revenue Fund: The special revenue fund accounts for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt or capital projects. Project codes are used to distinguish specific revenue sources. During the year ended June 30, 2020, the special revenue fund had revenue of $1,184,514 and expenses of $1,269,503 before transfers in from the general fund.

Building Fund: The building funds accounts for the equivalent tax rate of five cent as required by KRS 157.440(b) to be placed in a separate fund for the purpose of the Facilities Support Program of Kentucky. KRS 157.621 allows districts meeting certain criteria to levy additional taxes. These funds are to be used for debt service, new facilities, major renovations of existing school facilities, purchase of land and energy conservation measures.

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. The fund balance of $2,825,269 represents funds accumulated which are being held for a debt service payment of $7,560,000 due in 2030.

General Fund Budgetary Highlights

- The District's total general fund revenues for the fiscal year ended June 30, 2020, excluding inter-fund transfers, were $14,301,263.
- General Fund budget compared to actual revenue varied slightly from line item to line item with the ending actual balance being $72,027 in excess of budget, or approximately 0.51%. This is the result of the District recording more "on behalf" payments made by the state than what was expected.
- The total cost of all programs and services, excluding inter-fund transfers, in the General Fund, was $14,000,982.
- General fund actual expenditures were less than budgeted expenditures by $1,743,253. This is mainly a result of the District not spending any of the funds that were budgeted for the contingency.
- The District recorded On-Behalf payments as revenues and expenditures during the fiscal year. The On-Behalf revenues and expenditures were included in the budget.

Capital Assets

At the end of fiscal year 2020, the District had a total of approximately $29.9 million in capital assets net of accumulated depreciation, including approximately $29.2 million for governmental activities and approximately $620,000 for business type activities. Current year capital asset additions totaled approximately $83,000. The majority of this was from HVAC upgrades in the high school. Additional information on the District's capital assets can be found in Note 3 to the financial statements.

Debt Administration

At June 30, 2020, the District had approximately $23.0 million in outstanding bonds, excluding premiums and discounts. No new debt was issued in the current year and payments of $835,000 were made in accordance with normal payment schedules. Further information on the District's long-term debt can be found in Note 4 to the financial statements.

Additionally, the District has long-term obligations for compensated absences in the amount of $127,817 outstanding at the end of the current fiscal year.

Economic Factors and Next Year's Budgets and Rates

In Kentucky, the public school fiscal year is July 1-June 30; other programs, i.e. some federal, operate on a different fiscal calendar, but are reflected in the District's overall budget. By law, the budget must have a minimum 2% contingency. The Board adopted a budget for 2020-2021 with $1,685,644 in contingency (12.13%). The Board anticipates starting an addition of 12 classrooms in 2021 as the first phase of future renovations of existing space into offices, classrooms and a theatre. Bonds estimated to be between $20 million and $25 million will be issued.

Contacting the District's Financial Management

Questions regarding this report should be directed to the Superintendent, Dr. Mike Stacy (859) 331-3250 or to Rae Wise, Director of Financial Services (859) 331-3250 or by mail at 50 Beechwood Road, Fort Mitchell, Kentucky, 41017.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and Cash Equivalents	$ 4,288,898	$ 65,229	$ 4,354,127
Escrow Funds	2,833,772	-	2,833,772
Accounts Receivable	169,316	-	169,316
Inventories	-	8,856	8,856
Prepaid Expenses	80,278	-	80,278
Total Current Assets	7,372,264	74,085	7,446,349
Noncurrent Assets			
Nondepreciable Capital Assets			
Land	769,584	-	769,584
Depreciable Capital Assets			
Land Improvements	2,555,691	-	2,555,691
Buildings and Improvements	34,248,094	497,211	34,745,305
Vehicles	484,661	-	484,661
Technology Equipment	273,430	-	273,430
General Equipment	519,838	651,367	1,171,205
Less Accumulated Depreciation	(9,568,409)	(528,902)	(10,097,311)
Total Noncurrent Assets	29,282,889	619,676	29,902,565
Total Assets	36,655,153	693,761	37,348,914
Deferred Outflows of Resources			
Deferred Outflows Related to Pension	713,386	112,530	825,916
Deferred Outflows Related to Other Postemployment Benefits	838,396	36,018	874,414
Deferred Loss on Refundings	82,405	-	82,405
Total Deferred Outflows of Resources	1,634,187	148,548	1,782,735
Total Assets and Deferred Outflows of Resources	38,289,340	842,309	39,131,649

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020
(Continued)

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Current Portion of Compensated Absences	$ 18,465	$ -	$ 18,465
Current Portion of Bonds Payable	850,160	-	850,160
Accounts Payable	86,261	-	86,261
Accrued Expenses	766	-	766
Accrued Interest	110,715	-	110,715
Funds Received in Excess of Revenues Earned	158,943	-	158,943
Total Current Liabilities	1,225,310	-	1,225,310
Noncurrent Liabilities			
Noncurrent Portion of Compensated Absences	109,352	-	109,352
Noncurrent Portion of Bonds Payable	22,043,706	-	22,043,706
Net Pension Liability	3,089,580	487,356	3,576,936
Net Other Postemployment Benefits Liability	4,012,199	79,274	4,091,473
Total Noncurrent Liabilities	29,254,837	566,630	29,821,467
Total Liabilities	30,480,147	566,630	31,046,777
Deferred Inflows of Resources			
Deferred Inflows Related to Pension	62,860	9,916	72,776
Deferred Inflows Related to Other Postemployment Benefits	1,074,650	27,721	1,102,371
Total Deferred Inflows of Resources	1,137,510	37,637	1,175,147
Total Liabilities and Deferred Inflows of Resources	31,617,657	604,267	32,221,924
Net Position			
Net Investment in Capital Assets	6,471,428	619,676	7,091,104
Restricted for			
Special Revenue Fund	820,446	-	820,446
Building Fund	797,185	-	797,185
Debt Service Fund	2,825,269	-	2,825,269
Student Activity Fund	121,630	-	121,630
Capital Outlay Fund	210,920	-	210,920
Construction Fund	400,000	-	400,000
Unrestricted	(4,975,195)	(381,634)	(5,356,829)
Total Net Position	$ 6,671,683	$ 238,042	$ 6,909,725

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Function/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business - Type Activities**	**Total**
Governmental Activities							
Instructional	$ 10,792,580	$ 477,974	$ 1,474,892	$ 118,972	$ (8,720,742)	$ -	$ (8,720,742)
Support Services							
Student	723,494	-	-	-	(723,494)	-	(723,494)
Instructional Staff	375,750	-	-	-	(375,750)	-	(375,750)
District Administration	633,032	-	-	-	(633,032)	-	(633,032)
School Administration	700,696	-	-	-	(700,696)	-	(700,696)
Business Support Services	544,097	-	-	-	(544,097)	-	(544,097)
Plant Operation and Maintenance	1,247,742	-	-	-	(1,247,742)	-	(1,247,742)
Student Transportation	66,836	5,456	-	-	(61,380)	-	(61,380)
Food Service Operation	30,844	-	-	-	(30,844)	-	(30,844)
Depreciation Expense	925,690	-	-	-	(925,690)	-	(925,690)
Pension Expense	642,110	-	-	-	(642,110)	-	(642,110)
Other Postemployment Benefits Expense	222,884	-	-	-	(222,884)	-	(222,884)
Interest on Long-Term Debt	821,484	-	-	431,149	(390,335)	-	(390,335)
Total Governmental Activities	17,727,239	483,430	1,474,892	550,121	(15,218,796)	-	(15,218,796)
Business-Type Activities							
Food Service Operations	461,322	434,959	31,693	-	-	5,330	5,330
Depreciation Expense	64,013	-	-	-	-	(64,013)	(64,013)
Pension Expense	88,923	-	-	-	-	(88,923)	(88,923)
Other Postemployment Benefit Expense	11,541	-	-	-	-	(11,541)	(11,541)
Total Business-Type Activities	625,799	434,959	31,693	-	-	(159,147)	(159,147)
Total School District	$ 18,353,038	$ 918,389	$ 1,506,585	$ 550,121	(15,218,796)	(159,147)	(15,377,943)
General Revenues							
Taxes					7,162,415	-	7,162,415
Federal and State Aid not Restricted to Specific Purposes					8,141,764	-	8,141,764
Investment Earnings					135,384	1,297	136,681
Gain on Disposal of Capital Assets					851	-	851
Miscellaneous					961,970	-	961,970
Total General Revenues					16,402,384	1,297	16,403,681
Transfers, Net					(35,000)	35,000	-
Change in Net Position					1,148,588	(122,850)	1,025,738
Net Position July 1, 2019 (As Restated)					5,523,095	360,892	5,883,987
Net Position June 30, 2020					$ 6,671,683	$ 238,042	$ 6,909,725

See accompanying notes.

FUND FINANCIAL STATEMENTS

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Special Revenue Fund	Building Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 1,701,680	$ 1,051,907	$ 797,185	$ -	$ 738,126	$ 4,288,898
Escrow Funds	-	-	-	2,833,772	-	2,833,772
Accounts Receivable	163,723	5,593	-	-	-	169,316
Prepaid Expenses	80,278	-	-	-	-	80,278
Total Assets	$ 1,945,681	$ 1,057,500	$ 797,185	$ 2,833,772	$ 738,126	$ 7,372,264
Liabilities						
Accounts Payable	$ 79,027	$ 1,658	$ -	$ -	$ 5,576	$ 86,261
Accrued Expenses	766	-	-	-	-	766
Unearned Revenues	44,900	105,540	-	8,503	-	158,943
Total Liabilities	124,693	107,198	-	8,503	5,576	245,970
Fund Balances						
Nonspendable	80,278	-	-	-	-	80,278
Restricted						
Special Revenue Fund	-	820,446	-	-	-	820,446
Building Fund	-	-	797,185	-	-	797,185
Debt Service Fund	-	-	-	2,825,269	-	2,825,269
Student Activity Fund	-	-	-	-	121,630	121,630
Capital Outlay Fund	-	-	-	-	210,920	210,920
Construction Fund	-	-	-	-	400,000	400,000
Accumulated Sick Leave	76,025	-	-	-	-	76,025
Committed	-	129,856	-	-	-	129,856
Unassigned	1,664,685	-	-	-	-	1,664,685
Total Fund Balances	1,820,988	950,302	797,185	2,825,269	732,550	7,126,294
Total Liabilities and Fund Balances	$ 1,945,681	$ 1,057,500	$ 797,185	$ 2,833,772	$ 738,126	$ 7,372,264

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Funds Balance		$ 7,126,294
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets	$ 38,851,298	
Accumulated Depreciation	(9,568,409)	
		29,282,889
Deferred loss on refundings, net is not a financial resource and therefore is not reported as an asset in governmental funds		82,405
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to Pension	713,386	
Deferred Outflows of Resources Related to Other Postemployment Benefits	838,396	
Deferred Inflows of Resources Related to Pension	(62,860)	
Deferred Inflows of Resources Related to Other Postemployment Benefits	(1,074,650)	
		414,272
Long-term liabilities, including bonds payable, compensated absences, net pension obligations, and net other postemployment benefit obligations, 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	23,025,000	
Bond Premiums	13,204	
Bond Discounts	(144,338)	
Accrued Interest on Bonds	110,715	
Accumulated Compensated Absences	127,817	
Net Pension Liability	3,089,580	
Net Other Postemployment Benefit Liability	4,012,199	
		(30,234,177)
Total Net Position - Governmental Activities		$ 6,671,683

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Building Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 5,704,256	$ -	$ 1,458,159	$ -	$ -	$ 7,162,415
Tuition and Fees	477,974	-	-	-	-	477,974
Earnings on Investments	51,467	737	-	83,180	-	135,384
Student Activities	-	119,912	-	-	366,420	486,332
State Sources	7,814,779	465,293	398,544	517,124	135,207	9,330,947
Federal Sources	-	460,162	-	349,806	-	809,968
Other Sources	252,787	138,410	-	-	116,610	507,807
Total Revenues	14,301,263	1,184,514	1,856,703	950,110	618,237	18,910,827
Expenditures						
Instructional	9,393,273	1,238,659	-	-	385,400	11,017,332
Support Services						
Student	753,563	-	-	-	-	753,563
Instructional Staff	386,263	-	-	-	-	386,263
District Administration	648,270	-	-	-	-	648,270
School Administration	747,845	-	-	-	-	747,845
Business	596,424	-	-	-	-	596,424
Plant Operation and Maintenance	1,403,395	-	-	-	-	1,403,395
Student Transportation	71,949	-	-	-	-	71,949
Food Service Operations	-	30,844	-	-	-	30,844
Building Improvements	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	835,000	-	835,000
Interest	-	-	-	808,505	-	808,505
Total Expenditures	14,000,982	1,269,503	-	1,643,505	385,400	17,299,390
Excess (Deficit) of Revenues Over Expenditures	300,281	(84,989)	1,856,703	(693,395)	232,837	1,611,437
Other Financing Sources (Uses)						
Operating Transfers In	-	237,235	-	1,093,085	-	1,330,320
Operating Transfers Out	(272,235)	-	(1,093,085)	-	-	(1,365,320)
Total Other Financing (Uses) Sources	(272,235)	237,235	(1,093,085)	1,093,085	-	(35,000)
Net Change in Fund Balance	28,046	152,246	763,618	399,690	232,837	1,576,437
Fund Balance July 1, 2019 (As Restated)	1,792,942	798,056	33,567	2,425,579	499,713	5,549,857
Fund Balance June 30, 2020	$ 1,820,988	$ 950,302	$ 797,185	$ 2,825,269	$ 732,550	$ 7,126,294

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Net Changes in Total Fund Balances Per Fund Financial Statements		$ 1,576,437
Amounts reported for governmental activities in the statement of activities are different because:		
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 depreciation expense exceeds capital outlays for the year.		
Depreciation Expense	$ (925,690)	
Capital Outlays	82,908	
		(842,782)
Deferred losses on refunding are reported in the governmental funds as an other financing source. However, for governmental activities those items are show in the statement of net position and allocated over the term of the bond in the statement.		(8,637)
Premiums on bonds are reported in the governmental funds as an other financing source. However, for governmental activities those items are shown in the statement of net position and allocated over the term of the bond in the statement of activities. This is the amount of current year amortization of the premium.		1,143
Discounts on bonds are reported in the governmental funds as an other financing source. However, for governmental activities those items are shown in the statement of net position and allocated over the term of the bond in the statement of activities. This is the amount of current year amortization of the discount.		(11,562)
Repayment of bond principal is an expenditure in the governmental funds but, it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		835,000

(Continued)

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(Continued)

In the statement of activities, compensated absences (sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these amounts are measured by the amount of financial resources used (essentially, the amounts actually paid.) The difference in expenses reported in the statement of activities is as a result of the change in accumulated sick leave.		$ (25,659)
Governmental funds report District other postemployment benefit contributions as expenditures. However, other postemployment benefit expense is reported in the statement of activities. This is the amount by which other postemployment benefit expense exceeded contributions.		
District Other Postemployment Benefit Contributions - June 30, 2019	$ (250,810)	
District Other Postemployment Benefit Contributions - June 30, 2020	271,000	
Change in Other Postemployment Benefit Liability	27,926	
		48,116
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District Pension Contributions - June 30, 2019	(179,688)	
District Pension Contributions - June 30, 2020	212,565	
Cost of Benefits Earned Net of Employee Contributions	(462,422)	
		(429,545)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The difference in interest expense reported in the statement of activities is as a result of (1) the change in accrued interest on bonds and (2) refunding losses and gains not expended within the fund statements.		6,077
Change in Net Position of Governmental Activities		$ 1,148,588

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

		Food Service Fund
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and Cash Equivalents	$	65,229
Inventories		8,856
Total Current Assets		74,085
Noncurrent Assets		
Buildings and Improvements		497,211
General Equipment		651,367
Less Accumulated Depreciation		(528,902)
Total Noncurrent Assets		619,676
Total Assets		693,761
Deferred Outflows of Resources		
Deferred Outflows Related to Pension		112,530
Deferred Outflows Related to Other Postemployment Benefits		36,018
Total Deferred Outflows of Resources		148,548
Total Assets and Deferred Outflows of Resources	$	842,309
Liabilities		
Noncurrent Liabilities		
Net Pension Liability	$	487,356
Net Other Postemployment Benefits Liability		79,274
Total Liabilities		566,630
Deferred Inflows of Resources		
Deferred Inflows Related to Pension		9,916
Deferred Inflows Related to Other Postemployment Benefits		27,721
Total Deferred Inflows of Resources		37,637
Total Liabilities and Deferred Inflows of Resources		604,267
Net Position		
Net Investment in Capital Assets		619,676
Unrestricted		(381,634)
Total Net Position		238,042
Total Liabilities and Net Position	$	842,309

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Food Service Fund
Operating Revenues	
Lunchroom Sales	$ 434,959
Operating Expenses	
Salaries and Benefits	221,684
Contract Services	2,840
Materials and Supplies	236,798
Depreciation	64,013
Pension Expense	88,923
Other Postemployment Benefit Expense	11,541
Total Operating Expenses	625,799
Loss Before Non-Operating Revenues	(190,840)
Non-Operating Revenues	
State Grants	31,693
Interest Income	1,297
Total Non-Operating Revenues	32,990
Transfers	
Operating Transfers In	35,000
Change in Net Position	(122,850)
Net Position July 1, 2019	360,892
Net Position June 30, 2020	$ 238,042

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Lunchroom Sales	$ 434,959
Cash Payments to Employees for Services	(231,791)
Cash Payments to Suppliers for Goods and Services	(242,045)
Net Cash Used by Operating Activities	(38,877)
Cash Flows From Investing Activities	
Interest on Investments	1,297
Cash Flows From Financing Activities	
Interfund Transfer	35,000
Net Decrease in Cash and Cash Equivalents	(2,580)
Cash and Cash Equivalents, Beginning of Year	67,809
Cash and Cash Equivalents, End of Year	$ 65,229
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	$ (190,840)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	64,013
State On Behalf Payments	31,693
Change in Assets and Liabilities	
Increase in Inventories for Consumption	(2,407)
Decrease in Deferred Outflows Related to Pension	19,445
Increase in Deferred Outflows Related to Other Postemployment Benefits	(5,582)
Increase in Net Pension Liability	57,469
Decrease in Net Other Postemployment Benefit Liability	(3,219)
Decrease in Deferred Inflows Related to Pension	(21,521)
Increase in Deferred Inflows Related to Other Postemployment Benefits	12,072
Net Cash Used by Operating Activities	$ (38,877)
Supplemental Schedule of Noncash Capital and Related Financing Activities	
On-Behalf Payments	$ 31,693

See accompanying notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information on all of the governmental activities of Beechwood Independent School District as a whole.

Reporting Entity

The Beechwood Independent Board of Education (the 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 Beechwood Independent School District (the 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 Board, for financial purposes, includes all of the funds and account groups relevant to the operation of the Beechwood Independent School District. 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 Band Boosters, 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 Beechwood Independent School Board Finance Corporation are included in the accompanying financial statements. In 1990 the Board resolved to authorize the establishment of the Beechwood Independent School Board Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) (the Corporation) as an agency of the Board for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors.

Basis of Presentation

Government-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. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function, or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are; therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, 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 provide information about the District's funds, including its fiduciary fund. 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. This is a major fund of the District.

(C) The Building Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. This is a major fund of the District.

(D) The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and, for the payment of interest on general obligation notes payable, as required by Kentucky law. This is a major fund of the District.

(E) The Student Activity Fund is used to account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the Uniform Program of Accounting for School Activity Funds. This is not a major fund of the District.

(F) The Capital Outlay Fund is used to account for financial resources to be used for the acquisition of capital assets. This is not a major fund of the District.

(G) The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This is not a major fund of the District.

II. Proprietary Fund Types (Enterprise Funds)

- The School Food Service Fund is used to account for school food service activities. The Food Service Fund is a major fund of the District.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as transfers in/out. While reported in fund financial statements, interfund transfers are not included in government-wide financial statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transaction or events for recognition in the financial statements.

Government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible 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. Expenditures are recorded when the liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Budgetary Process

The District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. In Kentucky, the public school fiscal year is July 1 through June 30. Some programs relating to federal and state grants operate on a different fiscal year but are nevertheless reflected in the overall budget.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the use of estimates and assumptions regarding certain types of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

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

Inventories

Supplies and materials are charged to expenditures when purchased, except for inventories in the School Food Service Fund, which are capitalized at the lower of cost or net realizable value.

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 government-wide statement of net position, but are not reported in the Fund financial statements. Capital assets utilized by the Proprietary Funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $1,000 for food services equipment, $5,000 for technology equipment and general equipment, and $10,000 for land and building improvements. 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:

Land Improvements	20 Years
Buildings and Improvements	25 - 50 Years
Vehicles	5 - 10 Years
Technology Equipment	5 Years
General Equipment	15 Years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations

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

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

Compensated Absences

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 government-wide financial statements.

Interfund Balances

On the 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 statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period, and therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The District also recognizes deferred outflows of resources related to pensions and other postemployment benefits.

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is therefore deferred until that time. A deferred gain on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The District also recognizes deferred inflows of resources related to pensions and other postemployment benefits.

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 (CERS) and additions to/deductions from CERS' fiduciary net position have been determined on the same basis as they are reported by CERS. 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 net 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 County Employees Retirement System (CERS) and Kentucky Teachers Retirement System (TRS) and additions to/deductions from CERS' and TRS' fiduciary net position have been determined on the same basis as they are reported by CERS and TRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, and 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 its 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.

Fund Balance Reserves

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Non-spendable fund balance* - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- *Restricted fund balance* - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - amounts constrained to specific purposes by the District itself, using its decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.
- *Assigned fund balance* - amounts the District intends to use for specific purpose (such as encumbrances); intent can be expressed by the District, or by an official or body, to which the District delegates the authority.
- *Unassigned fund balance* - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

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

Encumbrances

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.

Revenues and Expenditures/Expenses

Program Revenues: Amounts reported as program revenues include 1) charges to customer who purchase or use goods, service, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

Property Taxes: 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 District. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants: Unreimbursed expenditures due from grantor agencies are reflected in the government-wide financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as unearned revenues on the Balance Sheet and funds received in excess of revenues earned on the Statement of Net Position.

*Operating Revenues and Expenses: O*perating 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. Expenses are primarily payroll, food costs, and supply purchases.

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.

Adoption of New Accounting Standards

Effective July 1, 2019, the Districted adopted the provisions of GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*.

Fiduciary Activities

GASB Statement No. 84, *Fiduciary Activities* was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. As result, School Activity Funds are presented as a special revenue governmental fund on the Balance Sheet – Governmental Fund and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds, rather than as a Fiduciary Fund reported separately in the Statement of Fiduciary Net Position.

Majority Equity Interests

GASB Statement No. 90, *Majority Equity Interests—an Amendment of GASB Statement No.14 and No.61*, was issued to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of GASB Statement No. 90 had no impact on the financial statement of the District for the year ended June 30, 2020.

Recently Issued Significant Accounting Standards

Lease Accounting Standard

GASB Statement No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The District is currently evaluating the impact GASB Statement No. 87 may have on its financial statements.

Accounting for Interest Cost Incurred Before the End of a Construction Period

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period,* was issued to enhance the relevant and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the endo of a construction period. The requirements of GASB Statement No. 89 are effective for reporting periods beginning after December 15, 2020. The District is currently evaluating the impact GASB Statement No. 89 may have on its financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Conduit Debt Obligations

GASB Statement No. 91, *Conduit Debt Obligations*, was issued to provide a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related not disclosures. The requirements of GASB Statement No. 91 are effective for reporting periods beginning after December 15, 2021. The District is currently evaluating the impact GASB Statement No. 91 may have on its financial statements.

Omnibus 2020

GASB Statement No. 92, *Omnibus 2020,* was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB Statement No. 92 are effective for reporting periods beginning after June 15, 2021, other than the requirements related to the effective date of GASB Statement No. 87, which is effective upon issuance. The District is currently evaluating the impact GASB Statement No. 92 may have on its financial statements.

Replacement of Interbank Offered Rates

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The requirements of GASB Statement No. 93, except paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirements in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal year periods beginning after June 15, 2021. The District is currently evaluating the impact GASB Statement No. 93 may have on its financial statements.

Public-Private and Public-Public Partnerships and Availability Payment Arrangements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. The requirements of GASB Statement No. 94 are effective for reporting periods beginning after June 15, 2022. The District is currently evaluating the impact GASB Statement No. 94 may have on its financial statements.

Subscription-Based Information Technology Arrangements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The requirements of GASB Statement No. 96 are effective for reporting periods beginning after June 15, 2022. The District is currently evaluating the impact GASB Statement No. 96 may have on its financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued to (1) increase consistency and comparability related to the fiduciary reporting of component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan for benefits provided through those plans. Aspects of GASB Statement No. 97 are effective immediately, however there was no significant impact to the District's financial statements for the year ended June 30, 2020. Other requirements of GASB Statement No. 97 are effective for reporting periods beginning after June 15, 2021. The District is currently evaluating the impact GASB Statement No. 97 may have on its financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

At year end, the District had on deposit, cash and cash equivalents totaling $7,440,259. Of the total cash balance, $500,000 was covered by the Federal Depository Insurance Corporation (FDIC), with the remainder that is covered by a collateral agreement held by the pledging banks' trust departments in the District's name.

Cash and cash equivalents at June 30, 2020, consist of the following:

	June 30, 2020
Bank Balance	$ 7,440,259
Book Balance	$ 7,187,899

Funds held in escrow for future debt payments was $2,833,772 for the year ended June 30, 2020.

Allocation per financial statements:

Governmental Funds	$ 4,288,898
Governmental Funds - Escrow Funds	2,833,772
Proprietary Funds	65,229
	$ 7,187,899

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Beginning Balance	Additions / Transfers	Deductions / Transfers	Ending Balance
Governmental Activities				
Land	$ 769,584	$ -	$ -	$ 769,584
Land Improvements	2,555,691	-	-	2,555,691
Buildings and Improvements	34,172,561	75,533	-	34,248,094
Vehicles	488,761	-	(4,100)	484,661
Technology Equipment	279,180	-	(5,750)	273,430
General Equipment	512,463	7,375	-	519,838
Total at Historical Cost	38,778,240	82,908	(9,850)	38,851,298
Less Accumulated Depreciation				
Land Improvements	708,200	141,297	-	849,497
Buildings and Improvements	7,079,800	723,984	-	7,803,784
Vehicles	396,606	17,431	(4,100)	409,937
Technology Equipment	252,828	8,373	(5,750)	255,451
General Equipment	215,135	34,605	-	249,740
Total Accumulated Depreciation	8,652,569	925,690	(9,850)	9,568,409
Governmental Activities Capital Assets, Net	$ 30,125,671	$ (842,782)	$ -	$ 29,282,889
Business-Type Activities				
Buildings and Improvements	$ 497,211	$ -	$ -	$ 497,211
General Equipment	651,367	-	-	651,367
Total at Historic Cost	1,148,578	-	-	1,148,578
Less Accumulated Depreciation				
Buildings and Improvements	171,591	17,564	-	189,155
General Equipment	293,298	46,449	-	339,747
Total Accumulated Depreciation	464,889	64,013	-	528,902
Business-Type Activities Capital Assets, Net	$ 683,689	$ (64,013)	$ -	$ 619,676

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as unallocated.

NOTE 4 - DEBT AND LEASE OBLIGATIONS

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

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2020.

	Amount of Debt Outstanding July 1, 2019	Additions	Reductions	Debt Outstanding June 30, 2020	Amounts Expected to be Paid Within One Year
Governmental Activities					
General Obligation					
Bonds	$ 23,860,000	$ -	$ 835,000	$ 23,025,000	$ 860,000
Unamortized Premium	14,347	-	1,143	13,204	1,143
Unamortized Discount	(155,900)	-	(11,562)	(144,338)	(10,983)
	$ 23,718,447	$ -	$ 824,581	$ 22,893,866	$ 850,160

The repayment of general obligation bonds includes the following:

Paid by the District	$ 716,028
Paid by the Kentucky School Facility Construction Commission	118,972
	$ 835,000

Bonds

The District, through the General Fund, (including Facility Support Program of Kentucky Fund (FSPK) 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 sponsoring governmental entity to construct school facilities.

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

NOTE 4 - DEBT AND LEASE OBLIGATIONS (Continued)

The original amount of each outstanding issue, the issue date, interest rates and outstanding balances at June 30, 2020 are summarized below:

Issue Date	Original Amount	Interest	Outstanding Balance at June 30, 2020
December, 2011	$ 7,560,000	5.00	$ 7,560,000
July, 2014	5,315,000	1.65 - 3.25	4,205,000
April, 2015	4,475,000	2.00 - 3.10	3,950,000
May, 2016	3,240,000	2.00 - 3.00	3,060,000
October, 2016	2,940,000	2.00 - 2.375	2,410,000
April, 2018	1,900,000	3.00 - 3.50	1,840,000
Plus: Unamortized Bond Premium			13,204
Less: Unamortized Bond Discounts			(144,338)
			$ 22,893,866

All issues may be called prior to maturity at dates and redemption premiums 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 District, at June 30, 2020 for debt service (principal and interest) are as follows:

Fiscal Year	Beechwood Independent School District Principal	Beechwood Independent School District Interest	KY School Facilities Construction Commission Principal	KY School Facilities Construction Commission Interest	Federal Rebate	Total
2020-21	$ 738,684	$ 359,254	$ 121,316	$ 50,803	$ (375,732)	$ 894,325
2021-22	751,290	345,250	123,710	48,410	(375,732)	892,928
2022-23	763,847	331,031	126,153	45,967	(375,732)	891,266
2023-24	780,957	314,074	129,043	43,076	(375,732)	891,418
2024-25	797,463	293,767	132,537	39,583	(375,732)	887,618
2025-26	818,806	273,419	136,194	35,925	(375,732)	888,612
2026-27	840,045	253,711	139,955	32,164	(375,732)	890,143
2027-28	861,107	232,074	143,893	28,226	(375,732)	889,568
2028-29	886,982	209,111	148,018	24,101	(375,732)	892,480
2029-30	911,152	184,165	133,848	19,854	(375,732)	873,287
2030-31	928,811	163,538	7,646,189	16,549	(187,866)	8,567,221
2031-32	773,190	140,376	86,810	13,912	-	1,014,288
2032-33	799,526	117,058	90,474	11,255	-	1,018,313
2033-34	821,756	92,940	93,244	8,485	-	1,016,425
2034-35	848,873	68,091	96,127	5,603	-	1,018,694
2035-36	730,794	42,393	24,206	2,632	-	800,025
2036-37	269,948	19,216	25,052	1,784	-	316,000
2037-38	279,071	9,767	25,929	908	-	315,675
	$ 13,602,302	$ 3,449,235	$ 9,422,698	$ 429,237	$ (3,945,186)	$ 22,958,286

NOTE 5 - COMPENSATED ABSENCES

Upon providing proof of qualification as an annuitant from the Kentucky Teachers' 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, 2020, this amount totaled approximately $68,775 for those employees with twenty-seven or more years of experience.

Changes in the District's compensated absences during fiscal year 2020 were as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Expected to be Paid Within One Year
Governmental Activities					
Compensated Absences	$ 102,158	$ 52,872	$ 27,213	$ 127,817	$ 18,465

Compensated absences will be liquidated by the General Fund.

NOTE 6 - COMMITMENTS UNDER NON-CAPITALIZED LEASES

The District leases offices space, during the normal course of business, and regularly leases various equipment. These leases expire at various dates through December 2024. Expenditures for the equipment under these operating leases totaled $48,526 for the year ended June 30, 2020.

Future minimum rental lease payments under the leases are as follows:

Years Ending June 30,	Office Space	Equipment	Total
2021	$ 45,833	$ 17,408	$ 63,241
2022	50,000	17,408	67,408
2023	50,000	17,408	67,408
2024	50,000	10,196	60,196
2025	4,167	3,975	8,142
	$ 200,000	$ 66,395	$ 266,395

NOTE 7 - PENSION PLANS

General Information about the County Employees Retirement System Pension Plan

Plan description: County Employees Retirement System (CERS) consists of two plans, Non-hazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement Systems (KRS) under the provision of Kentucky Revised Statute 61.645. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city, and any additional eligible local agencies electing to participate in CERS. The District participates in the non-hazardous plan.

NOTE 7 - PENSION PLANS (Continued)

Benefits provided: The non-hazardous system provides for retirement, disability, and death benefits to system members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances.

Tier 1: Retirement Eligibility for Members Whose Participation Began Before 09/01/2008

Age	Years of Service	Allowance Reduction
65	1 month	None
Any	27	None
55	5	6.5% per year for first five years, and 4.5% for next five years before age 65 or 27 years of service.
Any	25	6.5% per year for first five years, and 4.5% for next five years before age 65 or 27 years of service.

Tier 2: Retirement Eligibility for Members Whose Participation Began On or After 09/01/2008 but Before 01/01/2014

Age	Years of Service	Allowance Reduction
65	5	None
57	Rule of 87	None
60	10	6.5% per year for first five years, and 4.5% for next five years before age 65 or Rule of 87 (age plus years of service).

Tier 3: Retirement Eligibility for Members Whose Participation Began On or After 01/01/2014

Age	Years of Service	Allowance Reduction
65	5	None
57	Rule of 87	None

Benefit Formula for Tiers 1 & 2

<table>
<tr><th>Final Compensation</th><th>X</th><th colspan="2">Benefit Factor</th><th>X</th><th>Years of Service</th></tr>
<tr><td rowspan="2">Average of the five highes years of compensation if participation began before 09/01/2008.</td><td rowspan="3"></td><td>2.20% if:</td><td>Member begins participating prior to 08/01/2004.</td><td rowspan="3"></td><td rowspan="3">Includes earned service, purchased service, prior service, and sick leave service (if the member's employer participates in an approved sick leave program).</td></tr>
<tr><td>2.00% if:</td><td>Member begins participating on or after 08/01/2004 and before 09/01/2008.</td></tr>
<tr><td>Average of the last complete five years of compensation if participation began on or after 09/01/2008 but before 01/01/2014.</td><td>Increasing percent based on service at retirement* plus 2.00% for each year of service over 30 if:</td><td>Member begins participating on or 09/01/2008 but before 01/01/2014.</td></tr>
</table>

* ***Service*** *(and Benefit Factor):* ***10 years or less*** *(1.10%);* ***10 - 20 years*** *(1.30%);* ***20 - 26 years*** *(1.50%);* ***26 - 30 years*** *(1.75%)*

NOTE 7 - PENSION PLANS (Continued)

Benefit Formula for Tier 3					
(A-B) = C X 75% = D then B+D = Interest					
A	B	C	D		
5 Year Geometric Average Return	Less Guarantee Rate	Upside Sharing Interest	Interest Rate Earned	Interest Rate Earned (4% + Upside)	Total Interest Credited to Members' Account
5.51%	4.00%	1.51%	1.13%	5.13%	$ 6,360,000

For post-retirement death benefits, if the member is receiving a monthly benefit based on at least four (4) years of creditable service, the retirement system will pay a $5,000 death benefit payment to the beneficiary named by the member specifically for this benefit.

For disability benefits, members participating before August 1, 2004 may retire on account of disability provided the member has at least 60 months of service credit and is not eligible for an unreduced benefit. Additional service credit may be added for computation of benefits under the benefit formula. Members participating on or after August 1, 2004 but before January 1, 2014 may retire on account of disability provided the member has at least 60 months of service credit. Benefits are computed as the higher of 20% for non-hazardous of final rate of pay or the amount calculated under the benefit formula based upon actual service. Members participating on or after January 1, 2014 may retire on account of disability provided the member has at least 60 months of service credit. The hypothetical account which includes member contributions, employer contributions, and interest credits can be withdrawn from the System as a lump sum or an annuity equal to the larger of 20% for non-hazardous of the member's monthly final rate of pay or the annuitized account into a single life annuity option. Members disabled as a result of a single duty-related injury or act of violence related to their job may be eligible for special benefits.

For pre-retirement death benefits, the beneficiary of a deceased active member will be eligible for a monthly benefit if the member was: (1) eligible for retirement at the time of death or, (2) under the age of 55 with at least 60 months of service credit and currently working for a participating agency at the time of death or (3) no longer working for a participating agency but at the time of death had at least 144 months of service credit. If the beneficiary of a deceased active member is not eligible for a monthly benefit, the beneficiary will receive a lump sum payment of the member's contributions and any accumulated interest.

The Kentucky General Assembly has the authority to increase, suspend, or reduce Cost of Living Adjustments. Senate Bill 2 of 2013 eliminated all future COLAs unless the State Legislature so authorizes on a biennial basis and either (1) the system is over 100.00% funded or (2) the Legislature appropriates sufficient funds to pay the increased liability for the COLA.

During the 2018 legislative session, House Bill 185 was enacted, which provided increased pension benefits for the beneficiaries of active members who die in the line of duty.

Contributions: The employee contribution rate is set by state statute. Non-hazardous employees contribute 5.00% of their annual creditable compensation. Employees hired on or after September 1, 2008 contribute an additional 1.00% to health insurance.

Plan members who began participating on, or after, September 1, 2008, were required to contribute a total of 6.00% for non-hazardous of their annual creditable compensation. The 1.00% was deposited to an account created for the payment of health insurance benefits under 26 USC section 401(h) in the Pension Fund. These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1.00% contribution to the 401(h) account is non-refundable and is forfeited.

NOTE 7 - PENSION PLANS (Continued)

Plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. These member were classified in the Tier 3 structure of benefits. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5.00% non-hazardous of their annual creditable compensation and 1.00% to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with 4.00% non-hazardous employer pay credit. The employer pay credit represents a portion of the employer contribution.

The employer contribution rates are set by the KRS Board under Kentucky Revised Statute 61.565 based on an annual actuarial valuation, unless altered by legislation enacted by the Kentucky General Assembly. For the fiscal year ended June 30, 2020, participating employers contributed 24.06% (19.30% pension fund and 4.76% insurance fund) for the non-hazardous system of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal years were a percentage of each employee's creditable compensation. Contributions to the pension fund from the District excluding insurance contributions were $246,095 for the year ended June 30, 2020.

General Information about the Kentucky Teachers' Retirement System Pension Plan

Plan description: Certified employees in positions requiring a four-year degree are provided pensions through Teachers' Retirement Systems of the State of Kentucky (TRS), which is 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 Sections 220 through 990 of the KRS.

Benefits provided: For members before July 1, 2008, members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

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

Non-university members receive monthly payments equal to 2.0% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. Non-university members who became members on or after July 1, 2002, will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than 10 years. New members after July 1, 2002, who retire with 10 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 10 years. In addition, non-university members who retire July 1, 2004, and later with more than 30 years of service will have a multiplier for all years over 30 of 3.0%. The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 5.0% per year from the earlier of age 60 or the date the member would have completed 27 years of service. The minimum annual service allowance for all members is $40 multiplied by credited service.

For members on or after July 1, 2008, members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

1) Attain age 60 and complete five years of Kentucky service, or
2) Complete 27 years of Kentucky service, or
3) Attain age 55 and complete 10 years of Kentucky service.

NOTE 7 - PENSION PLANS (Continued)

The annual retirement allowance for non-university members is equal to: (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less: (b) 2.0% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3.0% of final average salary for years of credited service greater than 30 years. The final average salary is the members five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 6.0% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

Cost of living increases are 1.5% annually. Additionally, 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 members are required to contribute 12.855% of their salaries to the system effective July 1, 2015. The state, a non-employer contributing entity, contributes 13.105% of salary for those who joined before July 1, 2008 and 14.105% for those who joined thereafter. For local school district and regional corporative employees whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating 5 years of credited service, accumulated employee contributions plus interest are refunded to the employee upon the member's request.

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

At June 30, 2020, the District reported a liability of $3,576,936 for its proportionate share of the net pension liability. The District did not report a liability for the District's proportionate share of the net pension liability for TRS as 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:

	June 30, 2020
District's Proportionate Share of the CERS Net Pension Liability	$ 3,576,936
Commonwealth's Proportionate Share of the TRS Net Pension Liability Associated with the District	28,442,851
Total	$ 32,019,787

The net pension liability for each plan was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2019, using generally accepted actuarial principles. The District's proportion of the net pension liability for CERS was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2020, the District's proportion for CERS was 0.050859%, which was an increase of 0.000733% from its proportion measured as of June 30, 2019.

NOTE 7 - PENSION PLANS (Continued)

For the year ended June 30, 2020, the District recognized pension expense of $731,033 related to CERS. Additionally, the District recognized pension expense and revenue of $2,140,482 for the year ended June 30, 2020 for amounts paid on the District's behalf by the Commonwealth. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	$ -	$ 57,662
Difference Between Expected and Actual Experience	91,330	15,114
Changes of Assumptions	362,026	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	126,465	-
District Contributions Subsequent to the Measurement Date	246,095	-
Total	$ 825,916	$ 72,776

The $246,095 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	
2021	$ 333,583
2022	127,512
2023	41,861
2024	4,089
Total	$ 507,045

CERS Actuarial assumptions: The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2018
Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Remaining Amortization Period	24 years, closed
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.3%, varies by service (non-hazardous)
Investment Rate of Return	6.25% Net of pension plan investment expense, including inflation

NOTE 7 - PENSION PLANS (Continued)

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (male mortality rates are multiplied by 50% and female mortality rates are multiplied by 30%). The mortality table for healthy retired members and beneficiaries is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (female mortality rates are set back one year). The mortality table for disabled members is the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (male mortality rates are set back four years). 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.

The long-term expected return on plan assets was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Return
Growth		
US Equity	18.75 %	4.30 %
Non-US Equity	18.75	4.80
Private Equity	10.00	6.65
Specialty Credit/High Yield	15.00	2.60
Liquidity		
Core Bonds	13.50	1.35
Cash	1.00	0.20
Diversifying Strategies		
Real Estate	5.00	4.85
Opportunistic	3.00	2.97
Real Return	15.00	4.10
Total	100.00 %	

TRS Actuarial assumptions: The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation
Projected Salary Increases	3.50% to 7.3%, including inflation
Inflation Rate	3.0%
Municipal Bond Index Rate	3.5%
Single Equivalent Interest Rate	7.5%

NOTE 7 - PENSION PLANS (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a project of Scale BB to 2025, set forward two years for males and one year for females. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015, adopted by the board on September 19, 2016. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

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.

A summary of the target allocation and best estimates of arithmetic real rates of return for each major asset class, as provide by TRS' investment consultant, follows:

Asset Class	Target Allocation	Long-Term Expected Nominal Return
US Equity	40.00 %	4.20 %
Internataional Equity	22.00	5.20
Fixed Income	15.00	1.20
Additional Categories	7.00	3.20
Real Estate	7.00	3.80
Private Equity	7.00	6.30
Cash	2.00	0.90
Total	100.00 %	

CERS Discount rate: The discount rate used to measure the total pension liability was 6.25%. The single discount rate was based on the expected rate of return on pension plan investments for the system. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan member. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability for the system. The projection of cash flows used to determine the single discount rate assumes that teach fund receives the employer required contributions each future year as determined by the current funding policy established in statute, which includes the phase-in provisions from House Bill 362 (passed 2018) that applies to CERS.

TRS Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in full at the current contribution rates and the employer contributions will be made at ADC rates for all future fiscal years. 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.

NOTE 7 - PENSION PLANS (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability using the discount rate of 6.25% (CERS) and 7.50% (TRS), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25% for CERS and 6.50% for TRS) or 1-percentage-point higher (7.25% for CERS and 8.50% for TRS) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
CERS	$ 4,473,733	$ 3,576,936	$ 2,829,465
TRS	$ -	$ -	$ -

CERS Changes of assumptions: As a result of the 2018 experience study, the salary increase assumptions, retirement rate assumptions, mortality assumptions, withdraw rates, and rates of disablement were updated for the 2019 actuarial valuation.

Payables to the pension plans: At June 30, 2020, the District did not have any required contributions payable to the pension plans for the year ended June 30, 2020.

Pension plan fiduciary net position: Detailed information about the CERS pension plan's fiduciary net position is available in the separately issued Kentucky Retirement Systems Comprehensive Annual Financial Report on the KRS website at www.kyret.ky.gov. Detailed information about the TRS pension plan's fiduciary net position is available in the separately issued Kentucky Teachers' Retirement Systems Comprehensive Annual Financial Report on the KRS website at www.trs.ky.gov.

NOTE 8 - OPEB PLAN

General Information about the CERS OPEB Plan

Plan description: County Employees Retirement System consists of two plans, Non-Hazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Kentucky Retirement Systems (KRS) under the provision of Kentucky Revised Statute 61.645. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city, and any additional eligible local agencies electing to participate in CERS. The District participates in the non-hazardous plan.

Benefits provided: The KRS' Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after July 1, 2003, earn $10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on, or after July 1, 2003 earn $15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives $10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5% based upon Kentucky Revised Statutes. This benefit is not protected under the inviolable contract provisions of KRS 61.692. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

NOTE 8 - OPEB PLAN (Continued)

The amount of contribution paid by the Insurance Fund is based on years of service. For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

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

Contributions: The employee contribution rate is set by state statute. Non-hazardous employees contribute 5.00% of their annual creditable compensation. Employees hired on or after September 1, 2008, contribute an additional 1.00% to health insurance.

Plan members who began participating on, or after, September 1, 2008, were required to contribute a total of 6.00% for non-hazardous of their annual creditable compensation. The 1.00% was deposited to an account created for the payment of health insurance benefits under 26 USC section 401(h) in the Pension Fund. These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1.00% contribution to the 401(h) account is non-refundable and is forfeited.

Plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. These member were classified in the Tier 3 structure of benefits. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5.00% non-hazardous of their annual creditable compensation and 1.00% to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with 4.00% non-hazardous employer pay credit. The employer pay credit represents a portion of the employer contribution.

The employer contribution rates are set by the KRS Board under Kentucky Revised Statute 61.565 based on an annual actuarial valuation, unless altered by legislation enacted by the Kentucky General Assembly. For the fiscal year ended June 30, 2020, participating employers contributed 24.06% (30.06% pension fund and 9.52% insurance fund), of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal years was a percentage of each employee's creditable compensation. Contributions to the insurance fund from the District was $60,695 for the year ended June 30, 2020.

General Information about the TRS OPEB Plan

Plan description: Certified employees in positions requiring a four-year degree are provided pensions through Teachers' Retirement Systems of the State of Kentucky (TRS), which is 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 Sections 220 through 990 of the KRS.

NOTE 8 - OPEB PLAN (Continued)

Health Insurance Trust

Plan description – In addition to the retirement annuity plan described above, Kentucky Revised Statute 161.675 requires TRS to provide post-employment healthcare benefits to eligible members and dependents. The TRS Health Insurance Trust (HIT) is funded by employer and member contributions. 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.

Medical coverage through TRS is funded by a combination of contributions from employees, the state and other employers. Coverage is provided through an account established pursuant to 26 U.S.C. sec. 401(h) and a 115 trust fund that went into effect on July 1, 2010. The insurance trust fund includes employer and retired member contributions required under KRS 161.550 and KRS 161.675(4)(b).

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. 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, 7.50% of the gross annual payroll of members is contributed. 3.75% is paid by member contributions, 0.75% from state appropriation, and 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.

Life Insurance Trust

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

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

Contributions – In order to fund the post-retirement life insurance benefit, 0.03% 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 OPEB

CERS: At June 30, 2020, the District reported a liability of $855,207 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2019, using generally accepted actuarial principles. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At June 30, 2020, the District's proportion for the non-hazardous system was 0.050846%, which was an increase of 0.000722% from its proportion measured as of June 30, 2019.

NOTE 8 - OPEB PLAN (Continued)

TRS: At June 30, 2020, the District reported a liability of $3,236,266 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2019, using generally accepted actuarial principles. At June 30, 2020, the District's proportion was 0.110574%, which was a decrease of 0.006359% from its proportion measured as of June 30, 2019.

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

	CERS	TRS MIF	TRS LIF	Total
District's Proportionate Share of the Net OPEB Liability	$ 855,207	$ 3,236,266	$ -	$ 4,091,473
State's Proportionate Share of the Net OPEB Liability Associated with the District	-	2,613,504	60,711	2,674,215
Total	$ 855,207	$ 5,849,770	$ 60,711	$ 6,765,688

For the year ended June 30, 2020, the District recognized OPEB expense of $234,425 and revenue of $158,056 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	CERS Deferred Outflows of Resources	TRS Deferred Outflows of Resources	Total Deferred Outflows of Resources	CERS Deferred Inflows of Resources	TRS Deferred Inflows of Resources	Total Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	$ -	$ 13,750	$ 13,750	$ 37,985	$ -	$ 37,985
Difference Between Expected and Actual Experience	-	-	-	258,036	783,312	1,041,348
Changes of Assumptions	253,064	86,049	339,113	1,692	-	1,692
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	46,281	196,000	242,281	1,346	20,000	21,346
District Contributions Subequent to the Measurement Date	60,695	218,575	279,270	-	-	-
Total	$ 360,040	$ 514,374	$ 874,414	$ 299,059	$ 803,312	$ 1,102,371

NOTE 8 - OPEB PLAN (Continued)

$279,270 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	
2020	$ (94,340)
2021	(94,340)
2022	(75,263)
2023	(99,422)
2024	(90,778)
Thereafter	(53,084)
Total	$ (507,227)

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

Valuation Date	June 30, 2018
Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Pay
Amortization Period	24 Years, Closed
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Payroll Growth Rate	2.00%
Inflation	2.30%
Salary Increase	3.30% to 11.55%, varies by services (non-hazardous)
Investment Rate of Return	7.50%
Healthcare Cost Trend Rates (Pre-65)	Initial trend starting at 7.25% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Healthcare Cost Trend Rates (Post-65)	Initial trend starting at 5.10% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.

The mortality for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (male mortality rates are multiplied by 50% and female mortality rates are multiplied by 30%). The mortality table for healthy retired members and beneficiaries is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (female mortality rates are set back one year). The mortality table for disabled members is the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (make mortality rates are set back four years). 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.

The long-term expected return on plan assets was determined by using a building-block method in which best-estimate ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

NOTE 8 - OPEB PLAN (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Return
Growth		
US Equity	18.75 %	4.30 %
Non-US Equity	18.75	4.80
Private Equity	10.00	6.65
Specialty Credit/Highly Yield	15.00	2.60
Liquidity		
Core Bonds	13.50	1.35
Cash	1.00	0.20
Diversifying Strategies		
Real Estate	5.00	4.85
Opportunistic	3.00	2.97
Real Return	15.00	4.10
Total	100.00 %	

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

Valuation Date	June 30, 2018 HIT and June 30, 2018 LIT
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Pay
Amortization Period	22 years, Closed HIT and 30 Years, Open LIT
Asset Valuation Method	Five-year smoothed value
Inflation	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Salary Increase	3.50% – 7.20%, including inflation HIT 3.50% - 7.45%, including inflation LIT
Investment Rate of Return	8.00% HIT and 7.50% LIT, net of OPEB plan investment expense, including inflation
Municipal Bond Index Rate	3.50%
HIT Healthcare Cost Trend Rates (Pre-65)	7.50% for FY 2019 decreasing to an ultimate rate of 5.00% by FY 2024
HIT Healthcare Cost Trend Rates (Post-65)	5.50% for FY 2019 decreasing to an ultimate rate of 5.00% by FY 2021
HIT Healthcare Cost Trend Rates (Medicare Part B Premiums)	2.63% for FY 2019 decreasing to an ultimate rate of 5.00% by FY 2031

NOTE 8 - OPEB PLAN (Continued)

HIT Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rats of plan participation, and rates of plan election used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience studies for the system, which covered the 5 year period ending June 30, 2015. The remaining actuarial assumptions used in the June 30, 2018 valuation of the health trust ere based on a review of recent plan experience done concurrently with the June 30, 2018 valuation. The health care cost trend rate assumption was updated for the June 30, 2018 valuation and was shown as an assumption change in the total OPEB liability (TOL) roll forward while the change in the initial per capita claims costs were included with the experience in the TOL roll forward. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20 year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

LIT Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rats of plan participation, and rates of plan election used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience studies for the system, which covered the 5 year period ending June 30, 2015. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20 year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

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:

	HIT		LIT	
Asset Class	Target Allocation	Long-Term Expected Nominal Return	Target Allocation	Long-Term Expected Nominal Return
Global Equity	58.00 %	5.10 %	40.00 %	4.20 %
International Equity	-	-	22.00	5.20
Fixed Income	9.00	1.20	15.00	1.20
Real Estate	6.50	3.80	7.00	3.80
Private Equity	8.50	6.30	7.00	6.30
Additional Categories	17.00	3.20	7.00	3.20
Cash	1.00	0.90	2.00	0.90
Total	100.00 %		100.00 %	

NOTE 8 - OPEB PLAN (Continued)

CERS Discount rate: The discount rate used to measure the total OPEB liability was 5.68% for non-hazardous and 5.69% for hazardous. The single discount rate was based on the expected rate of return on the OPEB plan investments of 6.25% and a municipal bond rate of 3.13%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2019. Based on the stated assumptions and the projection of cash flows as of each fiscal year ended, the plan's insurance fiduciary net position an future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on Insurance Plan investments was applied to all period of the projected benefit payments paid from the retirement plan. However, the cost associated with the implicit subsidy will not be paid out of the Plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The projection of cash flows used to determine the single discount rate assumes that the fund receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018).

HIT TRS Discount rate: The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The projection of cash flows used to determine the single discount rate assumes that the fund receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018).

LIT TRS Discount rate: The discount rate used to measure the total OPEB liability for life insurance was 7.50%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate: The following present's the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.68% for CERS, 7.00% MIF TRS, and 6.50% LIF TRS) or 1-percentage-point higher (6.68% for CERS, 9.00% MIF TRS, and 8.50% LIF TRS) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
CERS	$ 1,145,625	$ 855,207	$ 615,921
HIT TRS	$ 3,833,718	$ 3,236,266	$ 2,735,811

NOTE 8 - OPEB PLAN (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the current healthcare cost trend rate: The following present's the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a current healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
CERS	$ 636,022	$ 855,207	$ 1,120,995
HIT TRS	$ 2,634,482	$ 3,236,266	$ 3,976,261

Changes of assumptions: There have been no changes in actuarial assumptions since June 30, 2017.

Other postemployment benefits plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Retirement Systems Comprehensive Annual Financial Report on the KRS website at www.kyret.ky.gov and separately issued TRS Financial Report.

NOTE 9 - CONTINGENCIES

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

NOTE 10 - INSURANCE AND RELATED ACTIVITIES

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

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Districts 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 Districts Association. The District pays an annual premium to each fund for coverage. Contributions to the Workers' Compensation Fund are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount.

Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. 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 purchases unemployment insurance through the Kentucky School Districts Insurance Trust Unemployment Compensation Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 - TRANSFER OF FUNDS

The following transfers were made during the year.

From Fund	To Fund	Purpose	Amount
General	Special Revenue	KETS	$ 27,235
General	Special Revenue	Local Grant for Technology	$ 100,000
General	Special Revenue	Local Grant for Facilities	$ 110,000
General	Food Service	Local Grant for Cafeteria	$ 35,000
Building	Debt Service	Debt Service	$ 1,093,085

NOTE 13 - ON-BEHALF PAYMENTS

As amounts are paid by various state agencies on-behalf of the District, the amounts are recognized as revenues and expenditures by the District. On the statement of revenues, expenditures and changes in fund balance, the on-behalf payments are included with state revenue and are included in the functional expense classifications. On the statement of activities, the on-behalf payments are included in the functional expense classifications and are included with program operating grants and contributions for the respective functions. A summary of on-behalf payments during 2020 is as follows:

		2020
Health Insurance	$	1,196,835
Life Insurance		1,774
Administrative Free		14,680
Health Reimbursement Account - HRA/Dental/Vision		60,113
Federal Reimbursements of Health Benefits (Reduction)		(23,271)
Teacher's Retirement System (TRS) - Pension		2,140,482
Teacher's Retirement System (TRS) - OPEB		158,056
Technology		89,519
School Facilities Construction Commission (SFCC) Debt Service		517,124
	$	4,155,312

NOTE 14 - PRIOR PERIOD ADJUSTMENTS

Implementation of New Accounting Guidance

GASB Statement No. 84, Fiduciary Activities was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of GASB Statement No. 84 are originally effective for fiscal year 2020. As result, School Activity Funds are presented as a special revenue governmental fund on the Balance Sheet – Governmental Fund and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds, rather than as a Fiduciary Fund reported separately in the Statement of Fiduciary Net Position. As a result, the total governmental activities net position as of June 30, 2019 increased $124,000 and the total governmental activities as of June 30, 2019 fund balance increased $124,000.

Correction of an Error – Committed Fund Balance

During the year ended June 30, 2020, it was determined that the District was deferring revenue related to preschool tuition. As the revenue has been earned, these funds should have been reported as an inflow of resources in the period earned. As a result, the total governmental activities net position as of June 30, 2019 increased $71,991 and the total governmental activities fund balance as of June 30, 2019 increased $71,991.

NOTE 14 - PRIOR PERIOD ADJUSTMENTS (Continued)

The total effect of all prior period adjustments are:

	June 30, 2019
	Governmental Activities Net Position
Net Position, As Originally Reported	$ 5,327,104
Implementation of GASB 84	124,000
Recognition of Preschool Tuition	71,991
Restated Governmental Net Position	$ 5,523,095
	Total Governmental Fund Balance
Total Governmental Fund Balance, As Originally Reported	$ 5,353,866
Implementation of GASB 84	124,000
Recognition of Preschool Tuition	71,991
Restated Total Governmental Fund Balance	$ 5,549,857

NOTE 15 - SUBSEQUENT EVENTS

Prior to year-end, the World Health Organization announced a global health emergency later classified as a global pandemic as a result of the COVID-19 outbreak. The outbreak and response has impacted financial and economic markets across the World and within the United States of America. The full impact continues to evolve and, as such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the possible effects on every aspect of the District.

REQUIRED SUPPLEMENTARY INFORMATION

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget (Unfavorable)
	Original	**Final**	**Actual**	**Favorable**
Revenues				
Taxes	$ 5,691,500	$ 5,779,500	$ 5,704,256	$ (75,244)
Tuition	451,200	461,200	477,974	16,774
Earnings on Investments	50,000	50,000	51,467	1,467
State Sources	7,245,300	7,820,935	7,814,779	(6,156)
Other Sources	85,000	117,601	252,787	135,186
Total Revenues	13,523,000	14,229,236	14,301,263	72,027
Expenditures				
Instructional	8,816,197	9,200,535	9,393,273	(192,738)
Support Services				
Student	635,016	685,556	753,563	(68,007)
Instructional Staff	409,020	430,020	386,263	43,757
District Administration	654,416	660,116	648,270	11,846
School Administration	743,783	762,390	747,845	14,545
Business	686,654	707,654	596,424	111,230
Plant Operation and Maintenance	1,472,041	1,478,041	1,403,395	74,646
Student Transportation	105,676	105,676	71,949	33,727
Contingency	1,700,197	1,714,247	-	1,714,247
Total Expenditures	15,223,000	15,744,235	14,000,982	1,743,253
(Deficit) Excess of Revenues Over Expenditures	(1,700,000)	(1,514,999)	300,281	1,815,280
Other Financing Uses				
Operating Transfers Out	(1,245,850)	(100,000)	(272,235)	(172,235)
Net Change in Fund Balance	(2,945,850)	(1,614,999)	28,046	1,643,045
Fund Balance July 1, 2019	1,792,942	1,792,942	1,792,942	-
Fund Balance June 30, 2020	$ (1,152,908)	$ 177,943	$ 1,820,988	$ 1,643,045

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Earnings on Investments	$ 116	$ 614	$ 737	$ 123
Student Activities	90,000	190,000	119,912	(70,088)
State Sources	505,785	492,027	465,293	(26,734)
Federal Sources	393,532	548,925	460,162	(88,763)
Other Sources	401,867	448,352	138,410	(309,942)
Total Revenues	1,391,300	1,679,918	1,184,514	(495,404)
Expenditures				
Instructional	2,098,062	1,880,859	1,238,659	642,200
Support Services				
Student	(69)	(69)	-	(69)
District Admin	13,179	13,179	-	13,179
Plant Operation and Maintenance	63,397	63,397	-	63,397
Food Service Operation	27,587	27,587	30,844	(3,257)
Building Improvements	587,150	587,150	-	587,150
Total Expenditures	2,789,306	2,572,103	1,269,503	1,302,600
Deficit of Revenues Over Expenditures	(1,398,006)	(892,185)	(84,989)	807,196
Other Financing Sources				
Operating Transfers In	340,000	27,235	237,235	210,000
Net Change in Fund Balance	(1,058,006)	(864,950)	152,246	1,017,196
Fund Balance July 1, 2019	798,056	798,056	798,056	-
Fund Balance June 30, 2020	$ (259,950)	$ (66,894)	$ 950,302	$ 1,017,196

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2020

County Employees Retirement System
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.050859%	0.050126%	0.046501%	0.043496%	0.041726%	0.040979%
District's Proportionate Share of the Net Pension Liability	$ 3,576,936	$ 3,052,827	$ 2,721,846	$ 2,141,584	$ 1,794,192	$ 1,330,000
District's Covered Payroll	$ 1,282,872	$ 1,242,280	$ 1,134,406	$ 1,037,534	$ 925,405	$ 939,653
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	278.82%	245.74%	239.94%	206.41%	193.88%	141.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Non-Hazardous	50.45%	53.54%	53.32%	55.50%	59.97%	66.80%

Kentucky Teachers' Retirement System
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's Proportionate Share of the Net Pension Liability	$ -	$ -	$ -	$ -	$ -	$ -
Commonwealth's Proportion of the Net Pension Liability Associated with the District	0.208500%	0.020270%	0.199500%	0.202200%	0.193400%	0.170100%
Commonwealth's Proportionate Share of the Net Pension Liability Associated with the District	$ 28,442,851	$ 26,545,242	$ 53,843,257	$ 59,663,968	$ 45,009,883	$ 34,951,247
Total Net Pension Liability	$ 28,442,851	$ 26,545,242	$ 53,843,257	$ 59,663,968	$ 45,009,883	$ 34,951,247
District's Covered Payroll	$ 6,658,011	$ 6,457,537	$ 6,256,171	$ 6,245,682	$ 5,848,453	$ Unavailable
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	Unavailable
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Non-Hazardous	58.80%	59.30%	39.80%	35.20%	42.50%	45.60%

* *Only six years of information available. Additional years' information will be displayed as it becomes available.*

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2020

County Employees Retirement System
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 246,095	$ 209,136	$ 181,410	$ 157,976	$ 129,141	$ 124,581
Contributions in Relation to the Contractually Required Contribution	(246,095)	(209,136)	(181,410)	(157,976)	(129,141)	(124,581)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,275,287	$ 1,282,872	$ 1,242,280	$ 1,134,406	$ 1,037,534	$ 925,405
Contributions as a Percentage of Covered Payroll	19.30%	16.30%	14.60%	13.93%	12.45%	13.46%

Kentucky Teachers' Retirement System
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Commonwealth's Contractually Required Contribution	$ 2,140,482	$ 1,923,407	$ 1,913,021	$ 981,718	$ 930,864	$ 823,639
Contributions in Relation to the Contractually Required Contribution	(2,140,482)	(1,923,407)	(1,913,021)	(981,718)	(930,864)	(823,639)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 7,013,274	$ 6,658,011	$ 6,457,537	$ 6,256,171	$ 6,245,682	$ 5,848,453
Contributions as a Percentage of Covered Payroll	30.52%	28.89%	29.62%	15.69%	14.90%	14.08%

* *Only six years of information available. Additional years' information will be displayed as it becomes available.*

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2020

County Employees Retirement System
Last 10 Fiscal Years*

	2020	2019	2018
District's Proportion of the Net OPEB Liability	0.050846%	0.050124%	0.046501%
District's Proportionate Share of the Net OPEB Liability	$ 855,207	$ 889,942	$ 934,829
District's Covered Payroll	$ 1,282,872	$ 1,242,280	$ 1,134,406
District's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	66.66%	71.64%	82.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability - Non-Hazardous	60.44%	57.62%	52.39%

Kentucky Teachers' Retirement System - Health Insurance Trust
Last 10 Fiscal Years*

	2020	2019	2018
District's Proportion of the Net OPEB Liability	0.110574%	0.104215%	0.105032%
District's Proportionate Share of the Net OPEB Liability	$ 3,236,266	$ 3,615,962	$ 3,745,212
Commonwealth's Proportion of the Net OPEB Liability Associated with the District	0.089296%	0.089812%	0.085796%
Commonwealth's Proportionate Share of the Net OPEB Liability Associated with the District	$ 2,613,504	$ 3,116,220	$ 3,059,298
Total Net OPEB Liability	$ 5,849,770	$ 6,732,182	$ 6,804,510
District's Covered Payroll	$ 6,658,011	$ 6,457,537	$ 6,256,171
District's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	48.61%	56.00%	59.86%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability - Non-Hazardous	32.60%	25.50%	21.20%

* *Only three years of information available. Additional years' information will be displayed as it becomes available.*

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2020
(Continued)

Kentucky Teachers' Retirement System - Life Insurance Trust
Last 10 Fiscal Years*

	2020	2019	2018
District's Proportion of the Net OPEB Liability	0.000000%	0.000000%	0.000000%
District's Proportionate Share of the Net OPEB Liability	$ -	$ -	$ -
Commonwealth's Proportion of the Net OPEB Liability Associated with the District	0.195387%	0.189564%	0.186441%
Commonwealth's Proportionate Share of the Net OPEB Liability Associated with the District	$ 60,711	$ 53,453	$ 28,093
Total Net OPEB Liability	$ 60,711	$ 53,453	$ 28,093
District's Covered Payroll	$ 6,658,011	$ 6,457,537	$ 6,256,171
District's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability - Non-Hazardous	73.40%	75.00%	80.00%

* *Only three years of information available. Additional years' information will be displayed as it becomes available.*

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
JUNE 30, 2020

County Employees Retirement System
Last 10 Fiscal Years*

	2020	2019	2018
Contractually Required Contribution	$ 60,695	$ 67,820	$ 58,883
Contributions in Relation to the Contractually Required Contribution	(60,695)	(67,820)	(58,883)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 1,275,287	$ 1,282,872	$ 1,242,280
Contributions as a Percentage of Covered Payroll	4.76%	5.29%	4.74%

Kentucky Teachers' Retirement System - Health Insurance Trust
Last 10 Fiscal Years*

	2020	2019	2018
District's Contractually Required Contribution	$ 263,324	$ 192,539	$ 229,054
Commonwealth's Contractually Required Contribution	155,489	159,983	146,993
Contributions in Relation to the Contractually Required Contribution	(418,813)	(352,522)	(376,047)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 6,662,626	$ 6,658,011	$ 6,457,537
Contributions as a Percentage of Covered Payroll	6.29%	5.29%	5.82%

Kentucky Teachers' Retirement System - Life Insurance Trust
Last 10 Fiscal Years*

	2020	2019	2018
District's Contractually Required Contribution	$ -	$ -	$ -
Commonwealth's Contractually Required Contribution	2,567	1,856	1,799
Contributions in Relation to the Contractually Required Contribution	(2,567)	(1,856)	(1,799)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 6,662,626	$ 6,658,011	$ 6,457,537
Contributions as a Percentage of Covered Payroll	0.04%	0.03%	0.03%

* *Only three years of information available. Additional years' information will be displayed as it becomes available.*

See accompanying notes.

OTHER SUPPLEMENTARY INFORMATION

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Student Activity Fund	Capital Outlay Fund	Construction Fund	Total Non-Major Governmental Funds
Assets				
Cash and Cash Equivalents	$ 127,206	$ 210,920	$ 400,000	$ 738,126
Liabilities				
Accounts Payable	$ 5,576	$ -	$ -	$ 5,576
Fund Balances				
Restricted				
Student Activity Funds	121,630	-	-	121,630
Capital Outlay Fund	-	210,920	-	210,920
Construction Fund	-	-	400,000	400,000
Total Fund Balances	121,630	210,920	400,000	732,550
Total Liabilities and Fund Balances	$ 127,206	$ 210,920	$ 400,000	$ 738,126

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Student Activity Fund	Capital Outlay Fund	Construction Fund	Total Non-Major Governmental Funds
Revenues				
Student Activities	$ 366,420	$ -	$ -	$ 366,420
State Sources	-	135,207	-	135,207
Other Sources	16,610	-	100,000	116,610
Total Revenues	383,030	135,207	100,000	618,237
Expenditures				
Instructional	385,400	-	-	385,400
Net Change in Fund Balance	(2,370)	135,207	100,000	232,837
Fund Balance July 1, 2019 (As Restated)	124,000	75,713	300,000	499,713
Fund Balance June 30, 2020	$ 121,630	$ 210,920	$ 400,000	$ 732,550

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
BEECHWOOD INDEPENDENT BOARD OF EDUCATION
ELEMENTARY SCHOOL ACTIVITY FUND
YEAR ENDED JUNE 30, 2020

Fund Accounts	Cash Balances July 1, 2019	Receipts	Disburs-ments	Cash Balances June 30, 2020	Accounts Receivable	Accounts Payable	Fund Balances June 30, 2020
General/Suspense	$ 339	$ 262	$ 586	$ 15	$ -	$ -	$ 15
Student Recognition	496	650	-	1,146	-	-	1,146
Student Support	208	1,029	1,213	24	-	-	24
Instructional Field Trips	5,104	17,570	19,761	2,913	-	-	2,913
DC Trip	1,325	12,094	12,370	1,049	-	-	1,049
Tutoring	-	1,520	1,520	-	-	-	-
Girls on the Run	204	-	160	44	-	-	44
OM	197	3,116	1,969	1,344	-	-	1,344
Science Club	65	-	-	65	-	-	65
Tiger Who Care	51	-	-	51	-	-	51
Athletics General	8,155	19,155	18,353	8,957	-	-	8,957
Student Fees	-	17,714	17,714	-	-	-	-
Transportation Fees	-	4,255	4,255	-	-	-	-
Total Beechwood Elementary School	$ 16,144	$ 77,365	$ 77,901	$ 15,608	$ -	$ -	$ 15,608

See accompanying notes.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
BEECHWOOD INDEPENDENT BOARD OF EDUCATION
HIGH SCHOOL ACTIVITY FUND
YEAR ENDED JUNE 30, 2020

Fund Accounts	Cash Balances July 1, 2019	Receipts	Disburs- ments	Cash Balances June 30, 2020	Accounts Receivable	Accounts Payable	Fund Balances June 30, 2020
General/Suspense	$ 823	$ 2,882	$ 3,483	$ 222	$ -	$ -	$ 222
Student Support	989	4,156	5,090	55	-	-	55
Instructional Field Trips	5,676	9,144	7,910	6,910	-	-	6,910
Academic Team	11	-	11	-	-	-	-
Art Club	23	-	-	23	-	-	23
Chess Club	10	-	-	10	-	-	10
College Boot Camp	3,324	8,350	11,674	-	-	-	-
FBLA	2,091	220	895	1,416	-	-	1,416
FCCLA	348	-	-	348	-	-	348
FEA	262	-	-	262	-	-	262
Fellow Christian Association	22	-	22	-	-	-	-
French Club	156	430	519	67	-	-	67
GSA	230	250	192	288	-	-	288
Homecoming	1,738	1,296	1,459	1,575	-	-	1,575
Winter Formal	2,375	8,540	6,537	4,378	-	-	4,378
Kuna	2,632	22,414	23,606	1,440	-	-	1,440
Latin Club	320	-	-	320	-	-	320
Little Sibs	129	254	325	58	-	-	58
Math Club (Mu Alpha Theta)	-	1,266	1,266	-	-	-	-
National Honor Society	5,024	12,181	11,723	5,482	-	-	5,482
National Junior Honor Soc	2,417	205	1,893	729	-	-	729
Spanish Club	174	55	55	174	-	-	174
Forensics	4,599	17,201	15,808	5,992	-	-	5,992
STLP	681	-	170	511	-	-	511
Student Council	593	1,180	1,203	570	-	-	570
Theatre	3,909	21,845	19,509	6,245	-	-	6,245
Tigers Who Care	100	-	100	-	-	-	-
Yearbook	22,667	9,350	11,215	20,802	-	-	20,802
Veteran's Day	169	2,012	2,012	169	-	-	169
McNabb Scholarship	480	-	480	-	-	-	-
Athletics General	21,889	128,082	133,798	16,173	-	4,881	11,292
Start Up Funding	-	5,025	5,025	-	-	-	-
Cheerleading	8,634	20,217	27,716	1,135	-	-	1,135
Boys Basketball	4,193	14,866	14,033	5,026	-	-	5,026
Girls Basketball	2,525	10,008	11,498	1,035	-	-	1,035
Baseball	5,996	12,086	14,325	3,757	-	-	3,757
Softball	13	1,483	200	1,296	-	-	1,296
Football	923	7,092	7,810	205	-	195	10
Boys Golf	801	3,686	3,694	793	-	-	793
Girls Golf	112	2,089	2,084	117	-	-	117
		-					

(Continued)

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
BEECHWOOD INDEPENDENT BOARD OF EDUCATION
HIGH SCHOOL ACTIVITY FUND
YEAR ENDED JUNE 30, 2020
(Continued)

Fund Accounts	Cash Balances July 1, 2019	Receipts	Disbursements	Cash Balances June 30, 2020	Accounts Receivable	Accounts Payable	Fund Balances June 30, 2020
Boys Soccer	$ 2,572	$ 301	$ 2,873	$ -	$ -	$ -	$ -
Girls Soccer	2,233	3,336	3,475	2,094	-	-	2,094
Boys Tennis	167	-	75	92	-	500	(408)
Girls Tennis	117	812	767	162	-	-	162
Track	775	1,195	1,166	804	-	-	804
Archery	1,758	2,620	4,104	274	-	-	274
Bowling	184	80	91	173	-	-	173
E-Sports	-	512	480	32	-	-	32
Swim Team	1,084	1,120	1,466	738	-	-	738
Unified Tigers	-	2,173	-	2,173	-	-	2,173
Volleyball	4,333	5,820	7,507	2,646	-	-	2,646
Cross Country	115	4,995	4,091	1,019	-	-	1,019
Class of 2020	3,945	205	4,150	-	-	-	-
Class of 2021	-	2,957	-	2,957			2,957
Band	-	80,327	71,859	8,468	-	-	8,468
Choir	3,227	6,832	7,817	2,242	-	-	2,242
Student Fees	-	33,043	32,902	141	-	-	141
Technology	-	6,925	6,925	-	-	-	-
Transportation Fees	-	2,995	2,995	-	-	-	-
Parking Passes	-	1,680	1,680	-	-	-	-
Total Beechwood High School	$ 127,568	$ 485,793	$ 501,763	$ 111,598	$ -	$ 5,576	$ 106,022

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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the Independent Auditor's Contract – Auditor Responsibilities, State Compliance Requirements, Appendix I to the Independent Auditor's Contract – Audit Extension Request and Appendix II – Submission Instructions, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beechwood Independent School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Beechwood Independent School District's basic financial statements, and have issued our report thereon dated September 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beechwood Independent School District's internal control over financial reporting (internal control) to determine the 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 Beechwood Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Beechwood Independent 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

810 Wright's Summit Parkway, Suite 300
Fort Wright, KY 41011
main: 859.331.3300
main fax: 859.331.4358 vlcpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Beechwood Independent School District's financial statements are free of 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 determination of financial statement amounts. 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 is required to be reported under *Government Auditing Standards*.

We did however note certain matters that we reported to management beginning on page 64.

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.

VonLehman & Company Inc.

Fort Wright, Kentucky
September 23, 2020

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2019

PRIOR YEAR - FINANCIAL STATEMENT FINDINGS

No matters were reported.

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

In planning and performing our audit of the financial statements of the Beechwood Independent School District (the District) for the year ended June 30, 2020, we considered the District's internal controls in order to determine the audit procedures that are appropriate for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls.

During the course of our audit we also selected school activity funds for our auditing tests. Through these procedures we became aware of a few matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding these matters as well as additional matters that we wanted to bring to the District's attention. We previously reported on the District's internal controls in our report dated September 23, 2020. This letter does not affect our report dated September 23, 2020 on the financial statements of the Beechwood Independent School District.

Our findings are presented below:

ITEM 2020-001 – ACTIVITY FUNDS

General Findings for All Schools

- There were 5 instances out of 20 cash disbursements tested where the invoice was received before the sponsor obtained approval via a purchase order. We recommend sponsors prepare and obtain approval all purchase orders before the purchase can be initiated.

  District Response: Principal and the athletic director require sponsors and coaches to attend Redbook training. Any invoices received without a corresponding purchase order will require an explanation from the sponsor

- During the review of procedures, it was noted that the District utilizes an on-campus lockbox to submit funds and Multiple Receipt Forms. When the lockbox is opened, two employees count the funds to reduce the potential for misappropriation. However, only one employee signs the multiple receipts form. We recommend that both employees sign the multiple receipt form to document that the control occurred.

  District Response: The lockbox is opened by two of a possible four employees. All four employees have been re-trained on the proper procedures for opening the lockbox including both employees signing the Multiple Receipt Form.

ITEM 2020-002 – ACTIVITY FUNDS

Beechwood High School

- There were 4 instances out of 10 cash receipts tested where the Multiple Receipt Form was not signed by the student. We recommend that the accounting department review the Multiple Receipt Form for student signature before processing all deposits. Additionally, we recommend the District provide Redbook training to ensure all employees are aware of the proper procedures.

  District Response: The high school principal will remind all staff of procedures for Multiple Receipt Form. In the event that a student is unable to sign, the teacher should attached a statement indicating why the student did not sign.

- There were 2 instances out of 10 cash disbursements tested where the receipts on the Multiple Receipts Form were over $100 for the day but not submitted for deposit until a later date. We recommend teachers and staff submit Multiple Receipts Forms as well as the receipts for deposit on the day received.

  District Response: The high school principal will remind all staff that receipts are to be turned in daily.

- There was 1 instance out of 6 transfers tested where the funds were transferred from the Class of 2020 account into the Class of 2021 account. Per the Redbook, the members of the senior class must decide how to distribute their remaining funds before commencement day. There was no documentation of the senior class meeting to decide how the funds should be distributed and therefore the funds should have been transferred to the General/Suspense account. We recommend that the senior class meet annually to decide how any remaining funds should be distributed and that decision be formally documented.

  District Response: Due to COVID-19, there was no commencement day for the Senior class of 2020. Funds remaining in the Class of 2020 account will be transferred from Class of 2021 to the general account for all students.

ITEM 2020-003 – PROCUREMENT

- During our testing of cash disbursements, it was noted that 2 out of 40 cash disbursements did not have proper support for the method of procurement selected. We recommend all procurement documentation be adequately maintained, including but not limited, documentation of procurement method selected as well as support for decision of vendor.

  District Response: All department heads have been reminded of the purchasing procedures and the requirement to adhere to small purchase procedures. In addition, the Finance Department will request a small purchase procedure form be attached to requisitions.

ITEM 2020-004 – PURCHASE ORDERS

- During our testing of cash disbursements, we noted 7 out of 40 cash disbursements where the purchase order was obtained after the purchase was initiated. We recommend purchase orders be prepared and approved before all purchases can be initiated.

  District Response: Principals and department heads have been reminded of the purchasing procedures. In addition, all employees will be reminded that items purchased without a purchase order, may be their responsibility.

ITEM 2020-005 – MAILING OF CASH DISBURSEMENTS

- Under current procedures, signed checks are returned to the accounts payable processor for mailing. Controls over disbursements would be improved if all disbursement checks were transmitted to someone for mailing without access to process checks and the accounts payable function after they are signed.

  District Response: Procedures were implemented during school year 2020 to have signed checks mailed from the high school instead of from the accounts payable department however during the COVID-19 pandemic when it was unknown how long the virus could live on surfaces, it was decided not to involve another person in the handling of paperwork. In August of 2020 when most office personnel returned to the building, procedures were again implemented to have signed checks mailed from the high school.

ITEM 2020-006 – REVIEW OF VENDOR LISTS

- Under current procedures, the top 20 vendors are reviewed quarterly by the maintenance director. However, there is no documentation of his review. We recommend the maintenance director sign off and date the vendor listings documenting their review.

  District Response: The accounts payable clerk has set a reminder to send the list of vendors to the Maintenance Director quarterly for his review.

STATUS OF PRIOR RECOMMENDATIONS

The following section is presented for the purposes of providing an update on the status of the previous auditor's management letter points presented as of and for the year ended June 30, 2019. The recommendations and current status of those recommendations are as follows:

ITEM 2019-001 – ACTIVITY FUNDS

General Findings for All Schools

- There were 4 instances out of 10 cash receipts tested where the Multiple Receipt Form was not signed by the student. We recommend that the accounting department review the Multiple Receipt Form for student signature before processing all deposits. Additionally, we recommend the District provide Redbook training to ensure all employees are aware of the proper procedures.

  Current Status: Similar instances were identified during testing in the current year. This is a repeat finding in the current year.

- During the testing of cash receipts, it was noted that the District utilizes an on-campus lockbox to submit funds and Multiple Receipt Forms. When the lockbox is opened, two employees count the funds to reduce the potential for misappropriation. However, only one employee signs the multiple receipts form. We recommend that both employees sign the multiple receipt form to document that the control occurred.

  Current Status: No changes were noted in the current year. This is a repeat finding in the current year.

ITEM 2019-002 – ACTIVITY FUNDS

Beechwood High School

- There was 1 instance out of 10 cash disbursements tested where the invoice was received before the sponsor obtained approval via a purchase order. We recommend sponsors prepare and obtain approval all purchase orders before the purchase can be initiated.

  Current Status: Similar instances were identified during testing in the current year. This is a repeat finding in the current year.

- During testing of activity fund cash disbursements, it was noted on 1 out of 10 cash disbursements, a portion of the invoice was missing. We recommend the entire original invoice be maintained for all cash disbursements.

  Current Status: No instances were identified during testing in the current year. Not considered necessary to repeat finding in the current year.

- During testing of activity fund cash disbursements, it was noted 1 out of 10 cash disbursements where the purchase order was obtained for only one payment of the entire purchase. We recommend the purchase order be prepared and approved for the entire purchase before the purchase can be initiated.

  Current Status: No instances were identified during testing in the current year. Not considered necessary to repeat finding in the current year.

- There was 1 instance out of 31 transfers tested where the sponsor did not sign the transfer form. We recommend the sponsor of the remitting (paying) activity account and the principal both sign the transfer form indicating their review and approval.

  Current Status: No instances were identified during testing in the current year. Not considered necessary to repeat finding in the current year.

ITEM 2019-003 – PROCUREMENT

- During our testing of cash disbursements, it was noted that 11 out of 40 cash disbursements did not have proper support for the method of procurement selected. We recommend all procurement documentation be adequately maintained, including but not limited, documentation of procurement method selected as well as support for decision of vendor.

  Current Status: No changes were noted in the current year. This is a repeat finding in the current year.

ITEM 2019-004 – PURCHASE ORDERS

- During our testing of cash disbursements, we noted 9 out of 40 cash disbursements where the purchase order was obtained after the purchase was initiated. We recommend purchase orders be prepared and approved before all purchases can be initiated.

  Current Status: Similar instances were identified during testing in the current year. This is a repeat finding in the current year.

ITEM 2019-005 – MAILING OF CASH DISBURSEMENTS

- Under current procedures, signed checks are returned to the accounts payable processor for mailing. Controls over disbursements would be improved if all disbursement checks were transmitted to someone for mailing without access to process checks and the accounts payable function after they are signed.

  Current Status: No changes were noted in the current year. This is a repeat finding in the current year.

ITEM 2019-006 – REVIEW OF VENDOR LISTS

- Under current procedures, the top 20 vendors are reviewed quarterly by the maintenance director. However, there is no documentation of his review. We recommend the maintenance director sign off and date the vendor listings documenting his review.

  Current Status: No changes were noted in the current year. This is a repeat finding in the current year.

ITEM 2019-007 – REVIEW OF BANK STATEMENTS AND BANK RECONCILIATIONS

- It was noted during our audit that the curriculum director approves the bank statement with a signature after the Finance Director completes the reconciliation. We recommend that the curriculum director receive the bank statements directly and review them for any unusual checks or other transactions before submitting to accounting for reconciliation. This review should be documented by the curriculum director's signature and date of review and will ensure that unusual items are investigated on a timely basis.

  Additionally, bank reconciliations should be reviewed by a knowledgeable board member for accuracy and completeness on a timely basis. This review should include ensuring the reconciliations are mathematically accurate and trace items on the reconciliation to relevant source documents including the previously reviewed bank statement. This review should also be documented by the board member's signature and date of review.

  Current Status: Control was implemented in the current year. Not considered necessary to repeat finding in the current year.

APPENDIX C

Beechwood Independent School District Finance Corporation
School Building Revenue Bonds
Series 2021

Continuing Disclosure Agreement

CONTINUING DISCLOSURE CERTIFICATE

Relating to:

$4,585,000

BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

SCHOOL BUILDING REVENUE BONDS, SERIES 2021

Dated as of: May 12, 2021

TABLE OF CONTENTS

This CONTINUING DISCLOSURE CERTIFICATE (the "Certificate") is executed and delivered as of the 12th day of May, 2021 by the Board of Education of the Beechwood Independent School District (the "Board") and Beechwood Independent School District Finance Corporation (the "Issuer") in connection with the issuance of its $4,585,000 Beechwood Independent School District Finance Corporation School Building Revenue Bonds, Series 2021 (the "Obligations"). The Obligations are being issued pursuant to a resolution adopted by the Board of Directors of the Issuer on March 8, 2021 (the "Authorizing Legislation"). The Issuer certifies, covenants and agrees as follows:

Section 1. Purpose of the Certificate.

This Certificate is being executed and delivered by the Issuer to provide for the disclosure of certain information concerning the Obligations on an on-going basis as set forth herein for the benefit of Holders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the "Rule");

Section 2. Definitions; Scope of this Certificate.

All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Authorizing Legislation and the Obligations. Notwithstanding the foregoing, the term "Disclosure Agent" shall mean the Issuer, or any disclosure agent appointed or engaged by the Issuer; any successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean a copy of the annual audited financial information prepared for the Board which shall include, if prepared, a balance sheet, a statement of revenue and expenditure and a statement of changes in fund balances. All such financial information shall be prepared using generally accepted accounting principles as applied to governmental units, provided, however, that the Board may change the accounting principles used for preparation of such financial information so long as the Board includes as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles. Any or all of the items listed above may be set forth in other documents, including Offering Documents of debt issues of the Board or related public entities, which have been transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's Internet Website or filed with the SEC. The Board shall clearly identify each such other document so incorporated by reference.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Obligations (including personal holding Obligations through nominees, depositories or other intermediaries).

"Event" shall mean any of the following events with respect to the Obligations:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(xiii) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a Financial Obligation of the Board, the Issuer, or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, the Issuer, or obligated person, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Obligations.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Holders" shall mean any holder of the Obligations and any Beneficial Owner thereof.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Offering Document" shall mean the Official Statement, dated April 13, 2021.

"Operating Data" shall mean an update of the Operating Data contained in the Offering Document under the headings "BOND DEBT SERVICE," "DISTRICT STUDENT POPULATION," "LOCAL SUPPORT," and "SEEK ALLOTMENT".

"Participating Underwriter" shall mean any of the original underwriters of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the Commonwealth of Kentucky.

Section 3. Disclosure of Information.

(A) Information Provided to the Public. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 4 hereof, the Issuer shall make, or shall cause the Disclosure Agent to make, public the information set forth in subsections (1), (2), and (3) below:

(1) Annual Financial Information and Operating Data. Annual Financial Information and Operating Data at least annually not later than 270 days after the end of the fiscal year ending June 30, commencing with the fiscal year ending June 30, 2021, and continuing with each fiscal year thereafter. If the Disclosure Agent is an entity or person other than the Board or the Issuer, then the Board shall provide the Annual Financial Information to the Disclosure Agent not later than fifteen Business Days prior to the disclosure date referenced above. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information; provided that the audited financial statements of the Board may be submitted separately from the balance of the Annual Financial Information.

(2) Events Notices. Notice of the occurrence of an Event, in a timely manner, not in excess of ten business days after the occurrence of the Event.

(3) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of Board or the Issuer to provide the Annual Financial Information or Operating Data by the date required herein.

(B) Information Provided to Public.

Annual Financial Information and, subject to the timing requirement set forth in subsection (A)(2) of this Section 3, notice of all Event occurrences shall be made public on the same day as notice thereof is given to the Holders of outstanding Obligations, if required pursuant to the Authorizing Legislation or the Obligations, and shall not be made public before the date of such notice.

(C) Means of Making Information Public.

(1) Information shall be deemed to be made public by the Board of the Issuer or the Disclosure Agent under this Certificate if it is transmitted as provided in subsection (C)(2) of this Section 3 by the following means:

(a) to the Holders of outstanding Obligations, by first class mail, postage prepaid;

(b) to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB; and/or

(c) to the SEC, by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the Board, the Issuer, or the Disclosure Agent is authorized to transmit information to the SEC by whatever means are mutually acceptable to the Disclosure Agent, the Board, or the Issuer, as applicable, and the SEC.

(2) Information shall be transmitted to the following:

(a) all information to be provided to the public in accordance with subsection (A) of this Section 3 shall be transmitted to the MSRB;

(b) all information described in clause (a) shall be made available to any Holder upon request, but need not be transmitted to the Holders who do not so request.

(c) to the extent the Board or the Issuer is obligated to file any Annual Financial Information or Operating Data with the MSRB pursuant to this Agreement, such Annual Financial Information or Operating Data may be set forth in the document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's Internet Website or filed with the SEC.

With respect to requests for periodic or occurrence information from Holders, the Board, the Issuer, or the Disclosure Agent may require payment by requesting holders of a reasonable charge for duplication and transmission of the information and for the Board, the Issuer's, or the Disclosure Agent's administrative expenses incurred in providing the information.

Section 4. Amendment or Modification.

Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate and any provision of this Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel expert in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Section 5. Miscellaneous.

(A) Termination. The Board and the Issuer's obligations under this Certificate shall terminate when all of the Obligations are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(B) Additional Information. Nothing in this Certificate shall be deemed to prevent the Board and the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Statement or notice of occurrence of an Event, in addition to that which is required by this Certificate. If the Board or the Issuer chooses to include any information in any Annual Financial Statement or notice of occurrence of an Event in addition to that which is specifically required by this Certificate, the Board or the Issuer, as the case may be, shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Statement or notice of occurrence of an Event.

(C) Defaults: Remedies. In the event of a failure of the Board, the Issuer, or the Disclosure Agent to comply with any provision of this Certificate any Holder may take such action as may be necessary and appropriate, including seeking an action in mandamus or specific performance to cause the Board, the Issuer, or the Disclosure Agent, as the case may be, to comply with its obligations under this Certificate. A default under this Certificate shall not constitute a default on the Obligations and the sole remedy available in any proceeding to enforce this Certificate shall be an action to compel specific performance.

(D) Beneficiaries. This Certificate shall inure solely to the benefit of the Board, the Issuer, the Disclosure Agent, the Participating Underwriter and Holders, or beneficial owners thereof, and shall create no rights in any other person or entity.

Section 6. Additional Disclosure Obligations.

The Issuer and the Board acknowledge and understand that other state and federal laws, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934 and Rule 10b 5 promulgated thereunder, may apply to the Board and the Issuer, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Board and the Issuer under such laws.

Section 7. Notices.

Any notices or communications to the Board or the Issuer may be given as follows:

To the Issuer: Beechwood Independent School District Finance Corporation
50 Beechwood Road
Fort Mitchell, Kentucky 41017
Attention: Secretary
Telephone: 859-331-3250
Fax: 859-331-7528

To the Board: Board of Education of Beechwood Independent School District
50 Beechwood Road
Fort Mitchell, Kentucky 41017
Attention: Superintendent
Telephone: 859-331-3250
Fax: 859-331-7528

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION, Issuer

By: ____________________________
President

Attest:

____
Secretary

BOARD OF EDUCATION OF BEECHWOOD INDEPENDENT SCHOOL DISTRICT

By: ____________________________
Chairperson

Attest:

____
Secretary

APPENDIX D

Beechwood Independent School District Finance Corporation
School Building Revenue Bonds
Series 2021

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$4,585,000*

Beechwood Independent School District Finance Corporation
School Building Revenue Bonds, Series 2021
Dated May 12,, 2021

SALE: Wednesday, April 21, 2021 at 11:00 A.M., E.T.

As advertised in conformity with Chapter 424 of the Kentucky Revised Statutes, the Secretary of the Beechwood Independent School District Finance Corporation (the "Corporation") will until April 21, 2021, at the hour of 11:00 A.M., E.T., at the office of the Executive Director of the Kentucky School Facilities Construction, 700 Louisville Road, Frankfort, Kentucky 40601, receive sealed competitive bids for the revenue bonds (the "Bonds") herein described. To be considered, Bids must be submitted on an Official Bid Form and must be delivered to the Secretary at the address indicated on the date of sale no later than the hour indicated. Bids will be opened by the Secretary and may be accepted without further action by the Corporation's Board of Directors.

*Subject to Permitted Adjustment increasing or decreasing the issue by $460,000.

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

The Bonds are authorized pursuant to KRS 162.120 through 162.300, 162.385 and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below.

The Bonds are being issued to finance the cost of the acquisition, construction, installation, and equipping of improvements at Beechwood Elementary School and Beechwood High School (the "Project") and are secured by a statutory mortgage lien upon and a pledge of the revenues from the rental of the school buildings to the Board of Education of Beechwood Independent School District (the "Board") under a Contract, Lease, and Option (the "Lease") on a year to year basis; the first rental period ending June 30, 2021. The statutory mortgage lien securing the Bonds is limited in its application to the exact site of the Project constructed from the proceeds of the Bonds, real estate unoccupied by the Project is unencumbered. The Board has reserved the right to obtain the release of the statutory mortgage lien and revenue pledge on the site of the Project by effecting the redemption or defeasance of the proportionate part of the Bonds then outstanding as was expended on the site being released. Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of the Bonds have the right to have a receiver appointed to administer the Project under KRS 162.220; foreclosure and sale are not available as remedies.

The rental of the Project from the Corporation to the Board is to be effected under the Lease, whereunder the Project is leased to the Board for an initial period ending June 30, 2021, with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the Bonds as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board is legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

ADDITIONAL PARITY BONDS FOR COMPLETION OF PROJECT

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of the Project and secured by the same statutory mortgage liens and pledges of revenues, but only if and to the extent the issuance of such additional parity bonds may be necessary to pay the costs, for which funds are not otherwise available, of completing the construction of the Project in accordance with the plans and specifications of the architect in charge of the Project, which plans have been completed, approved by the Board, State Department of Education, and filed in the office of the Secretary of the Corporation.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds shall be in denominations in multiples of $5,000 within the same maturity, bear interest from April 21, 2021, payable on November 1, 2021, and semiannually thereafter and shall mature as to principal on May 1 in each of the years as follows:

MATURITY	AMOUNT*	MATURITY	AMOUNT*
May 1, 2022	$ 5,000	May 1, 2032	$ 280,000
May 1, 2023	140,000	May 1, 2033	290,000
May 1, 2024	140,000	May 1, 2034	300,000
May 1, 2025	145,000	May 1, 2035	305,000
May 1, 2026	150,000	May 1, 2036	315,000
May 1, 2027	150,000	May 1, 2037	325,000
May 1, 2028	150,000	May 1, 2038	335,000
May 1, 2029	155,000	May 1, 2039	345,000
May 1, 2030	160,000	May 1, 2040	355,000
May 1, 2031	165,000	May 1, 2041	375,000

The Bonds maturing on or after May 1, 2028, are subject to redemption prior to their stated maturities on any date falling on or after May 1, 2027, in such order of maturities as the Corporation may determine (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent by regular United States Mail to the registered Owners of the Bonds so selected not less than thirty days prior to the date of redemption, upon terms of the face amount, plus accrued interest to the date of redemption.

The Bonds are further subject to extraordinary optional redemption prior to their stated maturities on any date, in such order of maturities as the Corporation may determine (less than all of a single maturity to be selected by lot), in whole or in part, from the proceeds of casualty insurance received upon the total destruction by fire, lightning, windstorm or other hazard of any of the buildings constituting the Project, upon notice of such prior redemption being given by the Paying Agent by regular United States Mail to the registered Owners of the Bonds so selected not less than thirty days prior to the date of redemption, upon terms of the face amount, plus accrued interest to the date of redemption.

The Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank National Association, Louisville, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to each Registered Owner of records of the 15th day of each month preceding the due date by regular United States Mail postmarked as of the interest due date. Principal shall be paid upon submission of matured Bond Certificates to the Paying Agent. Subsequent to the initial delivery of the Bonds, upon the submission of proper authentication, the Bond Registrar shall transfer ownership of Bonds within three business days of receipt without expense to the Registered Owner.

FINAL OFFICIAL STATEMENT

The Corporation shall provide to the successful purchaser a Final Official Statement. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of Final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board delivery requirements. The successful bidder shall be required to pay for the printing of the Final Official Statement.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds will mature, have interest payment dates, be subject to redemption, have a Paying Agent and Registrar, be subject to the issuance of additional bonds and have other conditions and restrictions as set forth in the Preliminary Official Statement describing the Bonds. Reference is made to the Preliminary Official Statement for such information and for information regarding the District and the Corporation.

BIDDING CONDITIONS AND RESTRICTIONS

(A) Bids must be made on Official Bid Form, contained in the Official Statement available from the undersigned or RSA Advisors, LLC 325 West Main Street, Suite 300, Lexington, Kentucky 40507, enclosed in sealed envelopes marked "Bid for School Building Revenue Bonds." Bids may alternatively be submitted electronically via BiDCOMP™/PARITY™ system. Electronic bids for the Bonds must be submitted through the BiDCOMP™/PARITY™ system and no other provider of electronic bidding services will be accepted. Subscription to the BiDCOMP™/PARITY™ system is required in order to submit an electronic bid. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by the BiDCOMP™/PARITY™ system shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in the BiDCOMP™/PARITY™ system conflict with the terms of the Official Terms and Conditions of Sale of Bonds, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of the BiDCOMP™/PARITY™ system shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by the BiDCOMP™/PARITY™ system. The use of the BiDCOMP™/PARITY™ system facilities are at the sole risk of the prospective bidders. For further information regarding the BiDCOMP™/PARITY™ system, potential bidders may contact BiDCOMP™/PARITY™, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

(B) The minimum bid for the Bonds shall be not less than $4,493,300 (98% of par), plus accrued interest. Interest rates shall be in multiples of 1/8 or 1/100 of 1% or both. Only one interest rate shall be permitted per Bond and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated for any maturity shall not be less than the interest rate for any preceding maturity. There is no limit on the number of different interest rates.

(C) The maximum permissible net interest cost for each of the Bonds shall not exceed "The Bond Buyer's" Index of 20 Municipal Bonds as established on the Thursday immediately preceding the sale of the bonds plus 1.50%.

(D) The determination of the best purchase bid for the Bonds shall be made on the basis of all bids submitted for exactly $4,585,000 principal amount of Bonds offered for sale hereunder; but the Corporation may adjust the principal amount of Bonds which may be awarded to such best bidder upward or downward by $460,000 (the "Permitted Adjustment") to a minimum of $5,045,000 or a maximum of $4,125,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price of which such adjusted principal amount of Bonds will be sold will be the same price per $1,000 of Bonds as the price per $1,000 for the $4,585,000 of Bonds bid.

(E) If three or more bids for the Bonds are received as a result of this competitive sale, the successful purchaser will be required to certify on or before the issue date the reasonably expected initial offering price to the public for each Maturity of the Bonds which prices are the prices for each Maturity of the Bonds used by the successful purchaser in formulating its bid to purchase the Bonds.

If less than three bids for the Bonds are received as a result of this competitive sale, the successful purchaser, by submitting a bid pursuant to a published Notice of Sale, has agreed in writing that they will be required to certify on or before the issue date (and provide reasonable supporting documentation for such Certification, such as a copy of the Pricing Wire or equivalent communication) for each Maturity of the Bonds (i) the first price at which at least 10% of each Maturity of the Bonds was sold to the Public, (ii) the initial offering price to the public as of the Sale Date of any Maturity of the Bonds, and (iii) that they neither offered nor sold any of the Bonds of any Maturity to any person at a price that is higher than the initial offering price for such Maturity during the Holding Period for such Maturity.

Bids will not be subject to cancellation or withdrawal by the bidder in the event that three bids are not received and the winning bidder shall advise the Corporation on the Sale Date if any maturity of the Bonds satisfies the 10% test set forth in (i) above as of the date and time of the award of the Bonds.

For purposes of the above the following terms are defined as follows:

(i) Holding Period means, with respect to a Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the successful purchaser has sold at least 10% of such Maturity to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(ii) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iii) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(iv) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 21, 2021.

(v) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(F) CUSIP identification numbers will be printed on the Bonds at the expense of the purchaser. The purchaser shall pay the CUSIP Service Bureau Charge and the cost of printing the Final Official Statement. Improper imprintation or the failure to imprint CUSIP numbers shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of any accepted proposal for the purchase of the Bonds.

(G) The Corporation shall provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12, as amended. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of Final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder shall be required to pay for the printing of the Final Official Statement.

(H) Bids need not be accompanied by a certified or bank cashier's good faith check, but the successful bidder will be required to wire transfer to the order of the Corporation an amount equal to 2% of the amount of the principal amount of Bonds awarded by the close of business on the day following the award. The good faith amount will be forfeited as liquidated damages in the event of a failure of the successful bidder to take delivery of such Bonds when ready. The good faith amount (without interest) will be applied to the purchase price upon delivery of the Bonds. The successful bidder shall not be required to take up and pay for the Bonds unless delivery is made within 45 days from the date the bid is accepted.

(I) The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. They will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for each maturity of the Bonds of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Purchases of the Bonds under the DTC system must be made by or through securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations (the "Direct Participants"), which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the records of Direct Participants or securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant (the "Indirect Participants"). Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

(J) The purchaser shall be required to supply the Bond Registrar with the name, address, social security number, or taxpayer identification number, principal amount and principal maturities for each person or entity in whose name Bonds are to be registered. Failure of a purchaser to fully designate the Registered Owners of Bonds shall result in the issuance of Bond Certificates by the Registrar in the purchaser's "street name" (to the extent a purchaser fails to designate).

(K) The Corporation reserves the right to reject any and all bids or to waive any informality in any bid. The Bonds are offered for sale subject to the principal and interest not being subject to Federal or Kentucky income taxation or Kentucky ad valorem taxation on the date of their delivery to the successful bidder, in accordance with the Final Approving Legal Opinion of Dinsmore & Shohl LLP, Covington, Kentucky, which Opinion will be qualified in accordance with the section hereof on TAX TREATMENT.

(L) The successful purchaser may require that a portion of the Bonds be term bonds maturing on one or more dates (the "Term Bonds"); provided, however, that the Term Bonds shall be subject to mandatory sinking fund redemption by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption on May 1st of the years and in the principal amounts set forth in the final adjusted maturity schedule as seen on page 2 of the successful bid.

(M) Prospective bidders are advised that RSA Advisors, LLC has been employed as Financial Advisor in connection with the issuance of the Bonds. RSA Advisors, LLC's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof. Bidders may submit a bid for the purchase of the Bonds at the time of the advertised public sale, either individually or as a member of a syndicate organized to submit a bid for the purchase of the Bonds.

(N) As required by the Code, the purchaser of the Bonds will be required to certify to the Corporation as to certain of their activities regarding any reoffering to the public of the Bonds, including any reoffering prices.

CONTINUING DISCLOSURE

In accordance with Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") the Board and the Corporation (the "Obligated Persons") will agree pursuant to a Continuing Disclosure Certificate to be dated as of the date of initial issuance and delivery (the "Disclosure Certificate"), to be delivered on the date of delivery of the Bonds, to cause the following information to be provided:

(i) to the Municipal Securities Rulemaking Board ("MSRB") or any successor thereto for purposes of the Rule, through the continuing disclosure service portal provided by the MSRB's Electronic Municipal Market Access ("EMMA") system as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the Securities and Exchange Commission, certain annual financial information and operating data, including audited financial statements, generally consistent with the information contained under the headings "Bond Debt Service", "Local Support"-Local Tax Rates, -Property Assessments and Revenue Collections, -District's Largest Taxpayers, -Overlapping Bond Indebtedness", "SEEK Allotment" and in Appendix B of this Official Statement (the "Annual Financial Information"); such information shall include, at a minimum, that financial information and operating data which is customarily prepared by the Obligated Persons and is publicly available. The annual financial information shall be provided on or before the 270th day following the fiscal year ending on the preceding June 30th;

(ii) to the MSRB, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;

(g) Modifications to rights of security holders, if material;

(h) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the securities, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bank National Association Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a financial obligation of the Corporation or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or Obligated Person, any of which affect security holders, if material;

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the issuer or Obligated Person, any of which reflect financial difficulties; and

(q) The cure, in the manner provided under the Bond Resolution, of any payment or nonpayment related default under the Bond Resolution.

(iii) to the MSRB, notice of a failure (of which the Obligated Persons has knowledge) of an Obligated Person to provide the required Annual Financial Information on or before the date specified in the Disclosure Certificate.

The Disclosure Certificate provides bondholders, including beneficial owners of the respective series of Bonds, with certain enforcement rights in the event of a failure by the Obligated Persons to comply with the terms thereof; however, a default under the Disclosure Certificate does not constitute an event of default under the Bond Resolution. The Disclosure Certificate may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Bondholders are advised that the Disclosure Certificate, the form of which is attached to the Official Statement as Appendix C, should be read in its entirety for more complete information regarding its contents.

For purposes of this transaction:

(a) there are no debt service reserve funds applicable to the Bonds;

(b) there are no credit enhancements applicable to the Bonds; and

(c) there are no liquidity providers applicable to the Bonds.

The Board and Corporation have been timely in making required filings under the terms of the Continuing Disclosure Certificate for the past five years.

The Board has adopted procedures to assure timely and complete filings in the future with regard to the Rule in order to provide required financial reports and operating data or notices of material events.

TAX TREATMENT

Bond Counsel is of the opinion that:

(A) The Bonds and the interest payable thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions

(B) Interest payable on the Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax. The Corporation has covenanted to comply with the applicable provisions of the Code, and such compliance by the corporation is necessary to maintain the federal income tax status described above. No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds.

(C) The Corporation has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Code.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

By: /s/____________________________
Secretary

APPENDIX E

Beechwood Independent School District Finance Corporation
School Building Revenue Bonds
Series 2021

Official Bid Form

OFFICIAL BID FORM

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for $4,585,000* of School Building Revenue Bonds, Series 2021, dated the date of initial issuance and delivery (the "Bonds") offered for sale by the Beechwood Independent School District Finance Corporation (the "Corporation"), an agency and instrumentality acting on behalf of the Board of Education of the Beechwood Independent School District and in accordance with the Notice of Bond Sale, as advertised in conformity with Chapter 424 of the Kentucky Revised Statutes, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase the Bonds.

We hereby bid for the $4,585,000* principal amount of the Bonds, the total sum of $_________ (not less than $4,493,300) plus accrued interest from April 21, 2021, at the following annual rate(s), payable semiannually (rates on ascending scale, number of interest rates unlimited):

MATURITY	AMOUNT*	INTEREST RATE	MATURITY	AMOUNT*	INTEREST RATE
May 1, 2022	$ 5,000	_____%	May 1, 2032	$280,000	_____%
May 1, 2023	140,000	_____%	May 1, 2033	290,000	_____%
May 1, 2024	140,000	_____%	May 1, 2034	300,000	_____%
May 1, 2025	145,000	_____%	May 1, 2035	305,000	_____%
May 1, 2026	150,000	_____%	May 1, 2036	315,000	_____%
May 1, 2027	150,000	_____%	May 1, 2037	325,000	_____%
May 1, 2028	150,000	_____%	May 1, 2038	335,000	_____%
May 1, 2029	155,000	_____%	May 1, 2039	345,000	_____%
May 1, 2030	160,000	_____%	May 1, 2040	355,000	_____%
May 1, 2031	165,000	_____%	May 1, 2041	375,000	_____%

*Subject to Permitted Adjustment.

We understand this bid may be accepted for as much as $5,045,000 of the Bonds or as little as $4,125,000 of the Bonds, at the same price per $1,000 Bond, with the variation in such amount occurring in any maturity of all maturities, which will be determined by the Corporation at the time of acceptance of the best bid.

It is understood that the Corporation will furnish the final, approving Legal Opinion of Dinsmore & Shohl LLP, Bond Counsel, of Covington, Kentucky.

No certified or bank cashier's check will be required to accompany the bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the day following the award. The good faith amount will be applied (without interest) to the purchase price when the Bonds are tendered for delivery.

Electronic bids for the Bonds must be submitted through BiDCOMP™/PARITY™ and no other provider of electronic bidding services will be accepted. Subscription to the BiDCOMP™/PARITY™ Competitive Bidding System is required in order to submit an electronic bid. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by BiDCOMP™/PARITY™ shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in BiDCOMP™/PARITY™ conflict with the terms of the Official Terms and Conditions of Sale of Bonds, the Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of BiDCOMP™/PARITY™ shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by BiDCOMP™/PARITY™. The use of BiDCOMP™/PARITY™ facilities are at the sole risk of the prospective bidders. For further information regarding BiDCOMP™/PARITY™, potential bidders may contact BiDCOMP™/PARITY™, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

We further understand that by submitting a bid we agree as follows:

If three or more bids for the Bonds are received as a result of this competitive sale, the successful purchaser will be required to certify on or before the issue date the reasonably expected initial offering price to the public for each Maturity of the Bonds which prices are the prices for each Maturity of the Bonds used by the successful purchaser in formulating its bid to purchase the Bonds.

If less than three bids for the Bonds are received as a result of this competitive sale, the successful purchaser, by submitting a bid pursuant to a published Notice of Sale, has agreed in writing that they will be required to certify on or before the issue date (and provide reasonable supporting documentation for such Certification, such as a copy of the Pricing Wire or equivalent communication) for each Maturity of the Bonds (i) the first price at which at least 10% of each Maturity of the Bonds was sold to the Public, or (ii) that they neither offered nor sold any of the Bonds of any Maturity to any person at a price that is higher than the initial offering price for such Maturity during the Holding Period for such Maturity.

Bids will not be subject to cancellation or withdrawal by the bidder in the event that three bids are not received and the Issuer determines to apply the hold-the-offering-price rule. For purposes of the above the following terms are defined as follows:

(a) *Holding Period* means, with respect to a Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the successful purchaser has sold at least 10% of such Maturity to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 21, 2021.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds within forty-five days from the date of sale in accordance with the terms of the sale.

Respectfully submitted,

____
Bidder

____
Address

____
Signature

Total interest cost from May 12, 2021 to final maturity	$____________________
Plus discount	$____________________
Net interest cost (Total interest cost plus discount)	$____________________
Average interest rate or cost	____________________%

The above computation of net interest cost and of average interest rate or cost is submitted for information only and is not a part of this Bid.

Accepted by the Secretary of the Beechwood Independent School District Finance Corporation for $_________________ principal amount of Bonds at the price of $_______________ as follows:

MATURING MAY 1	AMOUNT	INTEREST RATE	MATURING MAY 1	AMOUNT	INTEREST RATE
2022	$_________	_______%	2032	$_________	_______%
2023	_________	_______	2033	_________	_______
2024	_________	_______	2034	_________	_______
2025	_________	_______	2035	_________	_______
2026	_________	_______	2036	_________	_______
2027	_________	_______	2037	_________	_______
2028	_________	_______	2038	_________	_______
2029	_________	_______	2039	_________	_______
2030	_________	_______	2040	_________	_______
2031	_________	_______	2041	_________	_______

Dated: April 21, 2021

____
Secretary
Beechwood Independent School District
Finance Corporation