

DATED NOVEMBER 24, 2025

NEW ISSUE

**Electronic Bidding via Parity®
Bank Interest Deduction Eligible
BOOK-ENTRY-ONLY SYSTEM**

**RATING
Moody's: " "**

In the opinion of Bond Counsel for the Bonds, based upon an analysis of laws, regulations, rulings, and court decisions, and assuming continuing compliance with certain covenants made by the Corporation and the Board, and subject to the conditions and limitations set forth herein under the caption "Tax Exemption" interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is exempt from Kentucky income tax, and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

\$6,225,000*

**BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2025**

Dated with Delivery: DECEMBER 23, 2025

Due: as shown below

Interest on the Bonds is payable each June 1 and December 1, beginning June 1, 2026. The Bonds will mature as to principal on December 1, 2026, 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		Interest	Reoffering		Maturing	Interest	Reoffering	
1-Dec	Amount*	Rate	Yield	CUSIP	1-Dec	Amount*	Rate	Yield
2026	\$175,000	%	%		2035	\$230,000	%	%
2027	\$180,000	%	%		2036	\$240,000	%	%
2028	\$185,000	%	%		2037	\$250,000	%	%
2029	\$190,000	%	%		2038	\$265,000	%	%
2030	\$195,000	%	%		2039	\$270,000	%	%
2031	\$200,000	%	%		2040	\$280,000	%	%
2032	\$205,000	%	%		2041	\$295,000	%	%
2033	\$215,000	%	%		2042	\$1,285,000	%	%
2034	\$225,000	%	%		2043	\$1,340,000	%	%

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 (as hereinafter defined) on an annual renewable basis to the Beechwood Independent Board of Education.

The Beechwood (Kentucky) Independent School District Finance Corporation will until December 3, 2025, at 1:00 P.M., E.S.T., receive competitive bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 200 Mero Street - 5th Floor, Frankfort, KY 40622.

***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 not to exceed \$625,000.**

PURCHASER'S OPTION: The Purchaser of the Bonds, within 24 hours of the sale, may specify to the Municipal 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.

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.



**BEECHWOOD INDEPENDENT
BOARD OF EDUCATION**

Jeanne Berger, Chairperson
Amy Sleet, Member
Kyle Burns, Member
Laura Wooten, Member
Brad Hood, Member

Justin Kaiser, Superintendent/Secretary

**BEECHWOOD (KENTUCKY) INDEPENDENT SCHOOL DISTRICT
FINANCE CORPORATION**

Jeanne Berger, President
Amy Sleet, Member
Kyle Burns, Member
Laura Wooten, Member
Brad Hood, Member

Justin Kaiser, Secretary
Kristi Ward, Treasurer

BOND COUNSEL

Dinsmore & Shohl LLP
Covington, Kentucky

MUNICIPAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

US Bank Trust Company, 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 of 2025, 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.

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**OFFICIAL STATEMENT
Relating to the Issuance of**

\$6,225,000*

**BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2025**

**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 of 2025 (the "Bonds").

The Bonds are being issued to finance Phase 6C renovations to Beechwood High School (the "Project").

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 school building Projects (as hereinafter defined) to the Beechwood Independent 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 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 Lease Agreement, dated December 23, 2025, 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 shall utilize the Book-Entry-Only-System administered by The Depository Trust Company ("DTC").

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.

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 3.5 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 a Standard & Poor's rating of AA+. 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.

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 162.300 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 established and existing under the provisions of Sections 157.611 to 157.640, inclusive, of the Kentucky Revised Statutes, as repealed, amended, and reenacted (the "Act") for the purpose of assisting local school districts in meeting the school construction needs of the Commonwealth in a manner which will ensure an equitable distribution of funds based upon unmet need. In accordance with the provisions of the Act and the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that it will not participate in the payment of debt service on the Bonds.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2026

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.

The General Assembly adopted a budget for the biennial period ending June 30, 2026 which was approved and signed recently by the Governor. Such budget became effective July 1, 2024.

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	\$1,660,000	\$4,446,057	\$868,943	3.000% - 3.125%	2029
2015	\$4,475,000	\$3,200,000	\$3,326,099	\$1,148,901	2.375% - 3.000%	2035
2016	\$3,240,000	\$2,820,000	\$3,240,000	\$0	2.000% - 3.000%	2036
2016-REF	\$2,940,000	\$1,050,000	\$2,940,000	\$0	2.000% - 2.375%	2030
2018	\$1,900,000	\$1,585,000	\$1,510,247	\$389,753	3.000% - 3.500%	2038
2021	\$4,585,000	\$4,155,000	\$4,585,000	\$0	2.000%	2041
2022	\$29,770,000	\$27,610,000	\$29,541,386	\$228,614	4.000% - 5.000%	2047
TOTALS:	\$59,785,000	\$49,640,000	\$49,588,789	\$10,196,211		

AUTHORITY

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

- i) the issuance of approximately \$6,225,000 of Bonds subject to a permitted adjustment of \$625,000;
- 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 December 23, 2025, will bear interest from that date as described herein, payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2026, and will mature as to principal on December 1, 2026, 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). US Bank Trust Company, National Association, Louisville, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co., as the nominee of The Depository Trust Company. Please see Book-Entry-Only-System. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on June 1 and December 1 of each year, beginning June 1, 2026 (Record Date is 15th day of month preceding interest due date).

Redemption

The Bonds maturing on or after December 1, 2034, are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after December 1, 2033, in any order of maturities (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 in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Redemption Date	Redemption Price
December 1, 2033, and thereafter	100%

Notwithstanding the foregoing, the Corporation reserves the right, upon thirty (30) days notice, to call the Bonds in whole or in part on any date at par for redemption upon the total destruction by fire, lightning, windstorm or other hazard of any building constituting the Project 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 school building Project financed from the Bond proceeds from the Corporation to the Board. The Bonds are secured by a statutory mortgage lien on and pledge of revenue from the school building Project; provided, however, said lien and pledge are on parity with a similar lien and pledge securing the Corporation's School Building Revenue Bonds previously issued to finance or refinance the school building(s) which constitute the school building Project (the "Parity Bonds"). Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of Bonds have the right to have a receiver appointed to administer the school building Project but foreclosure and sale are not available as remedies.

The Lease; Pledge of Rental Revenues

The Board has leased the school building Project securing the Bonds for an initial period from December 23, 2025, through June 30, 2026, 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 December 1, 2043, the final maturity date of the Bonds. Under the lease, the Corporation has pledged the rental revenue to the payment of the Bonds.

Authorization of General Obligation Bonds

The Kentucky Legislature recently passed and the Governor signed HB 727 which, 90 days after the adjournment of the Legislature, will authorize Kentucky Boards of Education to issue general obligation bonds within certain limitations prescribed by Kentucky law. The Board does not currently have any specific plan to issue general obligation bonds. Issuance by the Board of general obligation debt in the future would not affect either the Board's obligation to make lease payments to the Corporation for payment of debt service on the Bonds or the security for the Bonds.

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 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 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.

THE PROJECT

After payment of the Bond issuance costs, the Board plans to deposit the net Bond proceeds to finance Phase 6C renovations to Beechwood High School (the "Project").

The Board has reported construction bids have been let for the Project and award of 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.

ADDITIONAL PARITY BONDS

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said lands and school building Project and secured by a statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds are in accordance with plans and specifications approved by the Board, Commissioner of Education, and filed in the office of the Secretary of the Corporation and a Lease shall be entered into whereunder the annual rental payments during the life of such additional bonds shall be increased by the amount of the annual principal and interest requirements of such additional bonds.

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

Kentucky statutes, and the regulations of the Kentucky Department of Education ("KDE") issued there-under, generally require that a local school district submit to KDE for its prior approval the district's plans for the funding, financing, design, construction, renovation, and modification of school facilities. House Bill 678 of the 2022 Regular Session of the Kentucky General Assembly (2022 Ky. Acts, Ch. 185, hereinafter referred to as "HB 678"), enacted and effective April 8, 2022, eliminated until June 30, 2024 this requirement of prior approval for local school districts which elect by resolution to proceed without such prior approval and which so notify the Department. The District has adopted such a resolution and has so notified KDE. House Bill 727 of the 2024 Regular Session of the Kentucky General Assembly (2024 Ky Acts, Ch 126. Hereinafter re-ferred to as "HB 727"), enacted and effective April 24, 2024, extended the provisions of HB 678 through June 30, 2027.

Notwithstanding HB 678, and HB 727, KDE's supervision of local school districts continues to apply other areas of local school finance, including supervision of general operations such as the examination of business methods and accounts of a school district, requirements of prompt, detailed reports of receipts and expenditures and the annual approval of the district's operating budget. All local school boards which have entered into contracts for the issuance of bonds must maintain insurance protection in an amount equal to the full insurable value of the buildings financed by the bonds. This State Department of Education supervision and control is believed to be a major contribution toward the maintenance of Kentucky's perfect record of no defaults in payment of its revenue bonds for school purposes.

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 meet 100% of the debt service of the Bonds.

Fiscal Year Ending June 30	Current Restricted Fund Bond Payments	---- School Building Revenue Bonds, Series 2025 --- (100% LOCAL)			Total Restricted Fund Bond Payments
		Principal Portion	Interest Portion	Total Payment	
2025	\$2,943,745				\$2,943,745
2026	\$2,943,340		\$103,324	\$103,324	\$3,046,664
2027	\$2,945,545	\$175,000	\$233,191	\$408,191	\$3,353,736
2028	\$2,942,571	\$180,000	\$228,440	\$408,440	\$3,351,011
2029	\$2,942,383	\$185,000	\$223,238	\$408,238	\$3,350,620
2030	\$2,942,706	\$190,000	\$217,753	\$407,753	\$3,350,459
2031	\$2,944,839	\$195,000	\$211,976	\$406,976	\$3,351,815
2032	\$2,943,755	\$200,000	\$205,853	\$405,853	\$3,349,607
2033	\$2,944,973	\$205,000	\$199,371	\$404,371	\$3,349,345
2034	\$2,945,185	\$215,000	\$192,439	\$407,439	\$3,352,623
2035	\$2,943,354	\$225,000	\$183,156	\$408,156	\$3,351,510
2036	\$2,946,377	\$230,000	\$173,393	\$403,393	\$3,349,769
2037	\$2,944,953	\$240,000	\$164,750	\$404,750	\$3,349,703
2038	\$2,945,428	\$250,000	\$155,440	\$405,440	\$3,350,868
2039	\$2,942,952	\$265,000	\$145,655	\$410,655	\$3,353,607
2040	\$2,943,246	\$270,000	\$135,490	\$405,490	\$3,348,736
2041	\$2,944,121	\$280,000	\$125,040	\$405,040	\$3,349,161
2042	\$2,943,015	\$295,000	\$113,673	\$408,673	\$3,351,687
2043	\$1,983,731	\$1,285,000	\$81,283	\$1,366,283	\$3,350,014
2044	\$1,983,375	\$1,340,000	\$27,470	\$1,367,470	\$3,350,845
2045	\$1,983,788				\$1,983,788
2046	\$1,985,713				\$1,985,713
2047	\$1,984,038				\$1,984,038
2048	\$1,983,650				\$1,983,650
TOTALS:	\$64,896,780	\$6,225,000	\$3,120,933	\$9,345,933	\$74,242,713

SOURCES AND USES OF FUNDS

Sources:

Bond Proceeds	\$ _____
[Plus Original Issue Premium][Less Original Issue Discount]	_____
Total Sources	\$ _____

Uses:

Underwriter's Discount	\$ _____
Deposit to Construction Fund	_____
Cost of Issuance	_____
Total Uses	\$ _____

DISTRICT STUDENT POPULATION

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

Year	Average Daily Attendance	Year	Average Daily Attendance
2004-05	946.4	2015-16	1,265.6
2005-06	942.2	2016-17	1,314.5
2006-07	953.3	2017-18	1,311.8
2007-08	984.8	2018-19	1,296.5
2008-09	1,001.6	2019-20	1,352.1
2009-10	1,008.2	2020-21	1,346.1
2010-11	1,082.8	2021-22	1,382.0
2011-12	1,099.6	2022-23	1,382.0
2012-13	1,134.2	2023-24	1,449.3
2013-14	1,174.5	2024-25	1,484.1
2014-15	1,209.0		

Source: Kentucky 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 \$4,000 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
2004-05	\$94,640.00	2015-16	\$126,560.00
2005-06	\$94,220.00	2016-17	\$131,450.00
2006-07	\$95,330.00	2017-18	\$131,180.00
2007-08	\$98,480.00	2018-19	\$129,651.00
2008-09	\$100,155.00	2019-20	\$135,210.00
2009-10	\$100,816.00	2020-21	\$134,613.00
2010-11	\$108,280.00	2021-22	\$138,204.80
2011-12	\$109,963.00	2022-23	\$138,204.80
2012-13	\$113,417.00	2023-24	\$144,929.00
2013-14	\$117,452.00	2024-25	\$148,412.10
2014-15	\$120,896.00		

Source: Kentucky Department of Education.

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 \$49,100 effective January 1, 2025.

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 (\$.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
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	89.0	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
2020-21	97.4	741,595,954	7,223,145
2021-22	99.2	753,654,025	7,476,248
2022-23	99.1	758,418,820	7,515,931
2023-24	83.1	984,224,417	8,178,905
2024-25	82.9	990,458,519	8,210,901

Source: Kentucky Department of Education.

OVERLAPPING BOND INDEBTEDNESS

The following table shows any other overlapping bond indebtedness of the Beechwood Independent School District or other issuing agency within Kenton County as reported by the State Local Debt Officer for the period ending June 30, 2025.

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
County of Kenton			
General Obligation	31,320,000	5,235,000	26,085,000
Court Facility	31,925,000	19,470,000	12,455,000
Housing Facilities Revenue	26,375,000	0	26,375,000
Building Revenue	3,000,000	2,810,000	190,000
Refinancing Refunding Revenue	69,130,000	27,705,000	41,425,000
Special Districts			
Kenton County Extension District	1,430,000	235,000	1,195,000
Kenton County Public Library	18,225,000	9,265,000	8,960,000
Planning & Developing Services	2,225,000	1,330,000	895,000
Sanitation District No. 1	452,540,000	88,980,000	363,560,000
Kenton County Airport Board	338,713,728	69,648,186	269,065,542
Totals:	974,883,728	224,678,186	750,205,542

Source: 2025 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
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
2020-21	4,080,710	7,223,145	11,303,855
2021-22	4,444,893	7,476,248	11,921,141
2022-23	4,715,679	7,515,931	12,231,610
2023-24	4,791,589	8,178,905	12,970,494
2024-25	4,781,384	8,210,901	12,992,285

- (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 \$0.8290 for FY 2024-25. 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.

POTENTIAL LEGISLATION

No assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax exemption of such interest. In addition, current and future legislative proposals, if enacted into law, may cause interest on state or local government bonds (whether issued before, on the date of, or after enactment of such legislation) to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the amount of interest on such bonds that may currently be treated as tax exempt by certain individuals. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"). The Inflation Reduction Act imposes a minimum tax of 15 percent of the adjusted financial statement income on certain corporations whose income exceeds stated thresholds for tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on debt obligations otherwise exempt from federal income tax would be included in the calculation of adjusted financial statement income for corporations subject to the minimum tax. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation.

Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the IRS, including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds or obligations which present similar tax issues, will not affect the market price for the Bonds.

CONTINUING DISCLOSURE

As a result of the Board and issuing agencies acting on behalf of the Board offering 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.

As of the date of this Official Statement, the Corporation and the Board are in compliance "in all material respects" with the reporting requirements of the Rule for the past five years.

Financial information regarding the Board may be obtained from Superintendent, Beechwood Independent Board of Education, 54 Beechwood Road, Ft. Mitchell, Kentucky 41017 Telephone: (859) 331-3250.

TAX EXEMPTION; BANK QUALIFIED

In the opinion of Bond Counsel, based on an analysis of existing laws, regulations, rulings, and court decisions in effect as of the date hereof, interest on the Bonds will be excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals (for a discussion of the corporate alternative minimum tax, see "LEGAL MATTERS - Tax Treatment - Corporate Alternative Minimum Tax" herein). In addition, Bond Counsel is also of the opinion that interest on the Bonds will be exempt from Kentucky income taxation and that the Bonds will be exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions. The opinion of Bond Counsel will be delivered concurrently with the issuance of the Bonds.

The Code imposes various restrictions, conditions, and requirements with respect to the exclusion of interest on certain obligations, including the Bonds, from gross income for federal income tax purposes. The Corporation and the Board has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will be excludable from gross income for federal income tax purposes. Any failure to comply with these covenants could result in the interest on the Bonds being includable in gross income for federal income tax purposes, and

such inclusion could be required retroactively to the date of issuance of the Bonds. The approving legal opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or any events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds. Certain requirements and procedures contained or referred to in the Bonds and any other documents related thereto may be changed, and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Bonds or such other documents. Bond Counsel expresses no opinion as to any Bonds or the tax status of the interest thereon if any such change occurs or any such action is taken or omitted upon the advice or approval of bond counsel other than Dinsmore & Shohl LLP.

Although Bond Counsel is of the opinion that the interest on the Bonds will be excludable from gross income for federal income tax purposes and that interest on the Bonds will be excludable from gross income for Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal, state, or local tax liabilities. The nature and extent of these tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion, and each Bondholder or potential Bondholder is urged to consult with its tax counsel with respect to the effects of the purchasing, holding, or disposing of the Bonds on the tax liabilities of the individual or entity.

Receipt of tax-exempt interest, ownership, or disposition of the Bonds may result in other collateral federal, state, or local tax consequences for certain taxpayers. Such effects may include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code; increasing the federal tax liability of certain insurance companies under Section 832 of the Code; increasing the federal tax liability and affecting the status of certain S Corporations subject to Section 1362 and Section 1375 of the Code; increasing the federal tax liability of certain individual recipients of Social Security or the Railroad Retirement benefits under Section 86 of the Code; and limiting the amount of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of the Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain taxpayers under Section 265 of the Code. Finally, the residence of a bondholder in a state other than Kentucky or a bondholder being subject to tax in a state other than Kentucky may result in income or other tax liabilities being imposed on such bondholder by such states or their political subdivisions based on the interest or other income from the Bonds.

The Corporation and the Board has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

Original Issue Premium

"Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of the bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next call date. The Bonds that bear an interest rate that is higher than the yield (as shown on the cover page hereof) are initially being offered and sold to the public at an Acquisition Premium (the "Premium Bonds"). For federal income tax purposes, the amount of Acquisition Premium on each bond, the interest on which is excludable from gross income for federal income tax purposes (each, a "tax-exempt bond"), must be amortized and will reduce the bondholder's adjusted basis in the bond. However, no amount of amortized Acquisition Premium on any tax-exempt bonds may be deducted in determining a bondholder's taxable income for federal income tax purposes. The Acquisition Premium paid on any Premium Bonds or on any of the other Bonds that must be amortized during any period will be based on the "constant yield" method, using the original bondholder's basis in the bonds and compounding semiannually. This amount will be amortized ratably over that semiannual period on a daily basis.

Holders of any Bonds, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

Original Issue Discount

The Bonds having a yield that is higher than the interest rate (as shown on the cover page hereof) are being offered and sold to the public at an original issue discount ("OID") from the amounts payable on such Bonds (the "Discount Bonds") at maturity. OID is an amount equal to the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold in accordance with that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of such bond, and for the Discount Bonds, the amount of such accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues during each semiannual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period such purchaser owns such Discount Bond will be added to the purchaser's tax basis for purposes of determining the gain or loss on such Discount Bond at the maturity, redemption, sale, or other disposition of that Discount Bond and thus, in practical effect, will be treated as stated interest, which is excludable from the gross income of the purchaser for federal income tax purposes.

In addition to the foregoing, the OID that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any of the Discount Bonds should be aware that the accrual of OID in each year may result in an alternative minimum tax liability, additional distribution requirements, or other collateral federal income tax consequences even though the owner of such Discount Bond has not received any cash attributable to the OID accruing in such year.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

Corporate Alternative Minimum Tax

The Inflation Reduction Act of 2022 imposes a new corporate alternative minimum tax equal to 15% of the "adjusted financial statement income" of an "applicable corporation," both as defined in Section 59(k) of the Code. Generally, an applicable corporation includes any corporation (as defined for federal income tax purposes, other than S corporations, regulated investment companies, and real estate investment trusts) with an "average annual adjusted financial statement income" of more than \$1,000,000,000 over any preceding period of three tax years (ending with a tax year ending after December 31, 2021). The corporate alternative minimum tax applies for all tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on tax-exempt bonds, such as the interest on the Bonds, is included (i) in computing "average annual adjusted financial statement income" for the purposes of determining whether a corporation qualifies as an "applicable corporation," and (ii) in determining an applicable corporation's "adjusted financial statement income" for the purposes of calculating the alternative minimum tax imposed on applicable corporations under Section 55 of the Code, regardless of the issue date of such tax-exempt bonds.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or threatened (i) restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Board or Corporation taken with respect to the issuance or sale thereof or (ii) which if successful would have a material adverse effect on the financial condition of the Board.

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, 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.

MUNICIPAL ADVISOR

Prospective bidders are advised that RSA Advisors, LLC ("RSA") has been employed as Municipal 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 Board of Education or the Municipal 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 Municipal 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.

APPENDIX A

**Beechwood Independent School District Finance Corporation
School Building Revenue Bonds,
Series of 2025**

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 2024 population of 172,228.

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

In 2024, Kenton County had a labor force of 96,205 people with an unemployment rate of 4.50%. The top 5 jobs by occupation were as follows: office and administrative support - 8,227 (13.55%); executive managers and administrators - 6,544 (10.77%); sales - 5,250 (8.64%); production workers - 4,982 (8.20%); and education, training/library - 4,171 (6.87%).

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 Growth (in thousands)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Kenton County	167,039	169,371	169,459	171,242	172,228

Source: Kentucky State Data Center, University of Louisville.

Population Projections

	<u>2030</u>	<u>2035</u>	<u>2040</u>
Kenton County	175,691	177,689	178,906

Source: Kentucky Data Center, University of Louisville.

EDUCATION

Public Schools

	<u>Kenton County</u>	<u>Beechwood Independent</u>
Total Enrollment (2024-2025)	13,646	1,536
Pupil-Teacher Ratio (2024-2025)	17 - 1	18 - 1

Source: Kentucky Department of Education.

Vocational - Technical Schools

<u>Institution</u>	<u>Location</u>	<u>Enrollment (2023-24)</u>
Boone County ATC	Hebron, KY	207
Campbell County ATC	Alexandria, KY	385
Carroll County ATC	Carrollton, KY	302
Harrison County ATC	Cynthiana, KY	468
Mason County ATC	Maysville, KY	194

Source: Kentucky Department of Education.

Colleges and Universities

In 2024, 47.11% of the population in Kenton County had an Associate's degree or higher. 92.77% had a high school degree or higher.

<u>Top 5 Universities within 50 miles</u>	<u>Number of Graduates</u>
University of Cincinnati (Main Campus)	11,233
Miami University - Oxford	5,023
Northern Kentucky University	3,844
Xavier University	1,783
Cincinnati State Technical & Community College	823

Source: Kentucky Cabinet for Economic Development

EXISTING INDUSTRY

Kenton County has a total of 5,734 businesses. In 2024, the leading industries in Kenton county were Manufacturing, Health Care and Social Services, Education, and Accomodation and Food Services.

<u>Top Industries by Job</u>	<u>Number of Jobs</u>
Manufacturing	8,020
Healthcare and Social Services	6,856
Education	6,398
Accommodation and Food Services	4,763

Source: Kentucky Cabinet for Economic Development.

APPENDIX B

**Beechwood Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2025**

Audited Financial Statement ending June 30, 2024

**BEECHWOOD INDEPENDENT
SCHOOL DISTRICT**

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024
with
REPORT OF INDEPENDENT AUDITORS**

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Cloyd & Associates, PSC

Certified Public Accountants

and

Business Advisors

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Cloyd & Associates, PSC

Cloyd & Associates, PSC

London, Kentucky
November 4, 2024

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2024

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

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

FINANCIAL HIGHLIGHTS

- Beechwood Independent Schools served 1,544 enrolled students in a unique preK-12 public school district located in Ft. Mitchell, Kentucky. Throughout history, Beechwood schools have been noted for their sense of tradition and academic excellence.
- During the 2024 school year, the district continued the second phase of a major construction project. The first phase consisted of the addition of a new twelve room classroom building to accommodate future renovations and reconstruction of existing space to provide office space, classrooms, and auditorium.
- The second phase of the construction project will reconstruct approximately 40% existing space to provide innovative classrooms, auditorium and office space, locker rooms and plaza entrance to the field. This project is expected to be completed during the 2025 school year.
- The General Fund had \$15,563,503 in revenue, which primarily consisted of local real estate and property taxes, the state program (SEEK), on-behalf payments, local out-of-district tuition, utilities, and motor vehicle taxes. General Fund expenditures were \$14,608,008, excluding inter-fund transfers.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
YEAR ENDED JUNE 30, 2024

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$16.3 million as of June 30, 2024.

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 2024 compared to 2023.

Net Position for the period ending June 30, 2024

Fiscal year 2024 government-wide net position compared to 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 22,612,639	\$ 33,007,795
Capital assets	55,844,108	43,525,789
Total Assets	<u>\$ 78,456,747</u>	<u>\$ 76,533,584</u>
Deferred outflow of resources	\$ 2,923,819	\$ 3,625,905
Current liabilities	\$ 4,801,721	\$ 4,392,195
Noncurrent liabilities	56,418,058	60,345,536
Total Liabilities	<u>\$ 61,219,779</u>	<u>\$ 64,737,731</u>
Deferred inflow of resources	\$ 3,854,423	\$ 2,697,786
Net investment in capital assets	\$ 3,659,055	\$ (10,077,980)
Restricted net position	10,979,289	22,896,503
Unrestricted net position	1,668,020	(94,551)
Total Net Position	<u>\$ 16,306,364</u>	<u>\$ 12,723,972</u>

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
YEAR ENDED JUNE 30, 2024

Although the Districts 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 \$1,923,163 due to the increase in Capital Assets related to the Construction in Progress.

Total liabilities decreased by \$3,517,952. Most of the decrease in liabilities is due to the pay down in debt and lease liabilities, as well as a significant change in the OPEB liability.

Net position increased by \$3,582,392 during the year ended June 30, 2024.

The following table presents a summary of revenue and expense for the fiscal years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Revenues and other financing sources		
Local revenue sources	\$ 11,109,370	\$ 10,045,504
State revenue sources	10,605,292	12,013,209
Federal revenue	1,263,732	1,124,622
Total revenue	<u>22,978,394</u>	<u>23,183,335</u>
Expenditures and other financing uses		
Instruction	11,122,543	12,497,885
Student support services	1,074,556	1,031,636
Instructional support	412,297	302,598
District administration	832,673	754,379
School administration	928,723	866,871
Business operations	618,260	584,047
Plant operation and maintenance	1,799,434	1,760,105
Student transportation	114,247	141,090
Building acquisition and construction	13,161,323	9,196,574
Community services	-	-
Other instructional	29,538	10,824
Debt service	3,510,063	3,510,948
Total expenditures	<u>33,603,657</u>	<u>30,656,957</u>
Excess revenues (expenditures)	<u>\$ (10,625,263)</u>	<u>\$ (7,473,622)</u>
Other financing sources (uses)		
Bond proceeds	\$ -	\$ -
Proceeds from disposal of assets	11,831	14,000
Settlement expense	-	(84,912)
Transfers in	3,833,565	3,713,254
Transfers out	(3,920,565)	(3,813,254)
Total other financing sources (uses)	<u>\$ (75,169)</u>	<u>\$ (170,912)</u>
Net change in fund balance	<u>\$ (10,700,432)</u>	<u>\$ (7,644,534)</u>

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

Financial Analysis of the District's Major Funds

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

General Fund: The general fund is the primary operating fund of the District. It is used to account for all financial transactions except those required to be accounted for in another fund. During the year ended June 30, 2024, the general fund had \$15,563,503 in revenue and \$14,608,008 in expenses before transfers to other funds.

District Activity Fund: The District Activity Fund is used to account for the co-curricular activities that are not raised and expended by student groups. During the year ended June 30, 2024, the district activity fund had \$214,620 in revenue and \$502,408 in expenses before transfers from other funds. The expense was spent on the annual student workstations refresh and the lower field turf replacement.

Building Fund: The Building Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. During the year ended June 30, 2024, the building fund had revenue of \$2,976,903 and expenses of \$-0- before transfers to other funds. This fund supports the debt repayment of bonds issued for major improvements and investment in the school building and site.

Construction Fund: The construction fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. During the year ended June 30, 2024, the construction fund had revenue of \$987,476 and expenses of \$12,877,879 before transfers from the building fund and fund balance of bond proceeds held for construction costs. All the revenue for the year ending June 20, 2024, was due to investment earnings on bond proceeds. We have experienced higher than normal earnings due to increased interest rates over the past eighteen months.

Debt Service Funds: The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The fund balance of \$4,421,696 represents funds accumulated which are being held for debt service payment of \$7,560,000 due in 2030.

General Fund Budgetary Highlights

- The district's total general fund revenues for the fiscal year ended June 30, 2024, excluding inter-fund transfers, were \$15,563,503. This is 5% decrease than FY 2023 due to a decrease in SEEK funding. The Seek Formula penalizes districts with significant property value growth. During FY 2024, the district experienced the highest increase in property value assessments of 31%, resulting in a \$1 million dollar decrease in Seek funding. There was a one-time adjustment for approx. \$630,000 to offset the first year of this reduction in funding. Other state funding areas reduced year-over-year, mostly in the on-behalf payments related to benefits.
- General fund revenue was significantly higher than budget by \$1,132,549 or 7.8%. The increase is mostly due to the one-time growth adjustment of \$630,000, which was not budgeted for due to limits and uncertainty depending upon funds available. The district also experienced better investment earnings than budgeted due to the current interest rate environment and healthy cash balances. We also experienced better collection on motor vehicle and utility taxes, as well as additional tuition students enrolled for the year.
- The total cost of all programs and services, excluding inter-fund transfers, in the General Fund, was \$14,608,008. This is 6% less than FY 2023 due to a decrease in on-behalf funding of approx. \$858,000 and additional non-recurring grant funding to support four full-time positions estimated at a savings of \$350,000 for the year.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - CONTINUED
YEAR ENDED JUNE 30, 2024

- General Fund expenses are less than budget by \$1,905,175 or 11.5%. The decrease is due primarily to temporary relief provided by ESSER grants related to learning loss resources, in addition as well as other non-recurring grants supporting general fund positions. The district maintains the budget for these positions to continue to show cost to maintain current staffing once the additional funding discontinues. In addition, we experienced savings in communication consultant of \$34,000, utilities (due to mild winter and spring) of \$55,400, and tests and technology supplies of \$100,000 compared to budget.
- The district recorded On-Behalf payments as revenues and expenditures during the fiscal year. The On-Behalf revenues and expenditure were included in the financial statements.

Capital Assets

At the end of fiscal year 2024, the district had a total of approximately \$55.775 million in capital assets net of accumulated depreciation, including \$55.3 million in governmental activities and \$412,592 for business type activities. Current year capital asset additions totaled approximately \$12.25 million and most of the additions are related to the construction in progress due to completion of phase one and progress on phase two of the construction. The project is expected to be completed by the fiscal year 2025.

Debt Administration

On June 30, 2024, the district had approximately \$52.2 million in outstanding bonds, excluding premiums and discounts. Payments of \$1,480,000 were made in accordance with normal payment schedules. Further information on the district's long-term debt can be found in Note 4 of the financial statements.

Additionally, the District has long-term obligations for compensated absences in the amount of \$193,070 outstanding at the end of the current fiscal year.

Economic Factors and Next Year's Budgets and Rates

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

- The Board approved a 4% increase in the tax rate for the 2024-2025 year. The rate is 79.9 per \$10,000 of assessed real property value and 91.30 per \$10,000 of assessed Tangible/personal property value.
- Due to new budget regulations, the district may be eligible for an additional property value growth assessment depending upon availability of funds. The amount and timing is uncertain and not budgeted due to this uncertainty.
- The Board approved a 3% salary increase for all staff.
- By law, the budget must have a minimum 2% contingency. The Board adopted a budget for 2024 - 2025 with \$1,003,057 in contingency (7%).
- The large-scale renovation project at the district is progressing and expected to be complete during the fiscal year 2025. The project consists of renovation of existing space to include additional innovative instructional spaces, auditorium, and office space.

Contacting the District's Financial Management

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 21,833,492	\$ 93,860	\$ 21,927,352
Accounts receivable:			
Taxes	121,107	-	121,107
Other	425,821	-	425,821
Prepaid expenditures	130,774	-	130,774
Inventories	-	7,585	7,585
Right-of-use lease asset, net of amortization	3,923	-	3,923
Net OPEB asset - CERS	56,694	8,382	65,076
Capital Assets, net			
Nondepreciable	29,723,217	-	29,723,217
Depreciable	25,639,300	412,592	26,051,892
Total assets	<u>77,934,328</u>	<u>522,419</u>	<u>78,456,747</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows from refunding bonds	54,238	-	54,238
Deferred outflows - CERS OPEB	272,597	40,301	312,898
Deferred outflows - KTRS OPEB	1,731,741	-	1,731,741
Deferred outflows - PENSION	718,651	106,291	824,942
	<u>2,777,227</u>	<u>146,592</u>	<u>2,923,819</u>
Total assets and deferred outflows of resources	<u>\$ 80,711,555</u>	<u>\$ 669,011</u>	<u>\$ 81,380,566</u>
LIABILITIES			
Accounts payable	\$ 2,238,775	\$ 76	\$ 2,238,851
Accrued expenses	11,079	-	11,079
Advance tuition paid	100,028	-	100,028
Advances from grantors	208,477	-	208,477
Current maturities of bond obligations	1,520,000	-	1,520,000
Current portion of accumulated sick leave	96,535	-	96,535
Current portion of lease liability	11,764	-	11,764
Interest payable	614,472	-	614,472
Net OPEB liability - KTRS	2,579,000	-	2,579,000
Net pension liability - CERS	2,634,791	389,694	3,024,485
Lease liability, right-of-use asset	4,157	-	4,157
Noncurrent maturities of lease liabilities	26,170	-	26,170
Noncurrent maturities of bond obligations, net	50,688,226	-	50,688,226
Noncurrent portion of accumulated sick leave	96,535	-	96,535
Total liabilities	<u>60,830,009</u>	<u>389,770</u>	<u>61,219,779</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows - CERS OPEB	1,057,852	156,395	1,214,247
Deferred inflows - KTRS OPEB	1,876,000	-	1,876,000
Deferred inflows - PENSION	665,715	98,461	764,176
Total deferred inflow of resources	<u>3,599,567</u>	<u>254,856</u>	<u>3,854,423</u>
Total Liabilities and deferred inflows of resources	<u>64,429,576</u>	<u>644,626</u>	<u>65,074,202</u>
NET POSITION			
Net investment in capital assets	3,246,463	412,592	3,659,055
Restricted for:			
Capital expenditures	10,374,489	-	10,374,489
Other	993,007	(388,207)	604,800
Unrestricted	1,668,020	-	1,668,020
Total net position	<u>16,281,979</u>	<u>24,385</u>	<u>16,306,364</u>
Total liabilities and net position	<u>\$ 80,711,555</u>	<u>\$ 669,011</u>	<u>\$ 81,380,566</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
Instruction	\$ 10,855,352	\$ -	\$ 3,278,589	\$ -	\$ (7,576,763)	\$ -	\$ (7,576,763)
Student	1,224,186	-	369,735	-	(854,451)	-	(854,451)
Instructional support	427,014	-	128,969	-	(298,045)	-	(298,045)
District administration	832,673	-	251,488	-	(581,185)	-	(581,185)
School administration	1,064,004	-	321,356	-	(742,648)	-	(742,648)
Business support	618,260	-	186,730	-	(431,530)	-	(431,530)
Plant operations and maintenance	2,094,858	-	632,700	-	(1,462,158)	-	(1,462,158)
Student transportation	129,251	-	39,037	-	(90,214)	-	(90,214)
Other instructional	29,538	-	8,920	-	(20,618)	-	(20,618)
Interest on long-term debt	2,018,431	-	-	2,004,840	(13,591)	-	(13,591)
Total governmental activities	19,293,567	-	5,217,524	2,004,840	(12,071,203)	-	(12,071,203)
Business-type activities							
Food service	855,176	673,157	62,895	-	-	(119,124)	(119,124)
Total business-type activities	855,176	673,157	62,895	-	-	(119,124)	(119,124)
Total primary government	\$ 20,148,743	\$ 673,157	\$ 5,280,419	\$ 2,004,840	(12,071,203)	(119,124)	(12,190,327)
			General revenues				
			Taxes:				
			Property		6,999,396	-	6,999,396
			Motor vehicle		447,052	-	447,052
			Utility		527,106	-	527,106
			Earnings on investments		1,427,951	4,858	1,432,809
			State grants		4,646,660	-	4,646,660
			Other local amounts		1,707,865	-	1,707,865
			Gain/(loss) on disposal of assets		11,831	-	11,831
			Transfers		(87,000)	87,000	-
			Total general revenues		15,680,861	91,858	15,772,719
			Change in net position		3,609,658	(27,266)	3,582,392
			Net position July 1, 2023		12,672,321	51,651	12,723,972
			Net position as of June 30, 2024		\$ 16,281,979	\$ 24,385	\$ 16,306,364

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Funds	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,732,408	\$ -	\$ 12,108,615	\$ 4,432,741	\$ 2,559,678	\$ 21,833,442
Cash-gaming	-	50	-	-	-	50
Accounts receivable:						
Taxes	121,107	-	-	-	-	121,107
Other	-	247,671	-	177,158	992	425,821
Interfund receivable	197,968	-	-	-	-	197,968
Prepaid expenditures	130,774	-	-	-	-	130,774
Total assets	\$ 3,182,257	\$ 247,721	\$ 12,108,615	\$ 4,609,899	\$ 2,560,670	\$ 22,709,162
LIABILITIES AND FUND BALANCES						
Liabilities						
Interfund payable	\$ -	\$ 39,363	\$ -	\$ 158,605	\$ -	\$ 197,968
Accounts payable	230,141	3,878	1,871,280	-	133,476	2,238,775
Accrued expenses	11,079	-	-	-	-	11,079
Advance tuition paid	100,028	-	-	-	-	100,028
Advances from grantors	-	79,051	-	29,598	99,828	208,477
Total liabilities	341,248	122,292	1,871,280	188,203	233,304	2,756,327
Fund balances						
Nonspendable	130,774	-	-	-	-	130,774
Restricted	96,535	125,429	10,237,335	4,421,696	1,094,825	15,975,820
Assigned	77,739	-	-	-	1,232,541	1,310,280
Unassigned	2,535,961	-	-	-	-	2,535,961
Total fund balances	2,841,009	125,429	10,237,335	4,421,696	2,327,366	19,952,835
Total liabilities and fund balances	\$ 3,182,257	\$ 247,721	\$ 12,108,615	\$ 4,609,899	\$ 2,560,670	\$ 22,709,162

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances - governmental funds	\$ 19,952,835
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	55,362,517
Deferred outflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	2,777,227
Bond discounts are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	100,406
Bonds payable are not reported in the governmental fund balance sheet because they are not due and payable in the current period, but they are presented in the statement of net position.	(52,308,632)
Leases payable and lease liability, right-of-use assets are not reported in the governmental fund balance sheet because they are not due and payable in the current period, but they are presented in the statement of net position.	(38,168)
The long term portion of accumulated sick leave is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(193,070)
Net OPEB obligation is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(2,522,306)
Net pension obligation is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(2,634,791)
Deferred inflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	(3,599,567)
Interest payable is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	<u>(614,472)</u>
Total net position - governmental activities	<u>\$ 16,281,979</u>

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

BEECHWOOD INDEPENDENT SHOOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Funds	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
From local sources						
Taxes						
Property	\$ 5,030,948	\$ -	\$ -	\$ -	\$ 1,968,448	\$ 6,999,396
Motor vehicle	447,052	-	-	-	-	447,052
Utility	527,106	-	-	-	-	527,106
Other	6,737	-	-	-	-	6,737
Tuition	549,186	-	-	-	-	549,186
Transportation fees	11,357	-	-	-	-	11,357
Earnings on investments	287,844	7,487	987,476	107,080	38,054	1,427,951
Student activities	-	-	-	-	616,128	616,128
Student fees	189,741	16,380	-	-	95,932	302,033
Other local	94,509	-	-	-	127,915	222,424
Intergovernmental - State						
SEEK	4,646,660	-	-	-	-	4,646,660
Other	3,753,434	550,165	-	533,596	1,121,437	5,958,632
Intergovernmental - Federal						
	18,929	859,356	-	349,807	35,640	1,263,732
Total revenues	15,563,503	1,433,378	987,476	990,483	4,003,554	22,978,394
Expenditures						
Current:						
Instruction	9,028,794	1,272,225	-	-	821,524	11,122,543
Student	894,092	180,464	-	-	-	1,074,556
Instructional support	412,297	-	-	-	-	412,297
District administration	812,161	-	-	-	20,512	832,673
School administration	928,723	-	-	-	-	928,723
Business support	618,260	-	-	-	-	618,260
Plant operations and maintenance	1,799,434	-	-	-	-	1,799,434
Student transportation	114,247	-	-	-	-	114,247
Other	-	-	-	-	29,538	29,538
Site improvement	-	-	12,877,879	-	283,444	13,161,323
Debt service	-	-	-	3,510,063	-	3,510,063
Total expenditures	14,608,008	1,452,689	12,877,879	3,510,063	1,155,018	33,603,657
Excess (deficit) of revenues over (under) expenditures	955,495	(19,311)	(11,890,403)	(2,519,580)	2,848,536	(10,625,263)
Other financing sources (uses)						
Gain on sale of asset	11,831	-	-	-	-	11,831
Transfers in	463,978	28,914	-	2,940,673	400,000	3,833,565
Transfers out	(515,914)	-	-	-	(3,404,651)	(3,920,565)
Total other financing sources (uses)	(40,105)	28,914	-	2,940,673	(3,004,651)	(75,169)
Net change in fund balance	915,390	9,603	(11,890,403)	421,093	(156,115)	(10,700,432)
Fund balance as of June 30, 2023	1,925,619	115,826	22,127,738	4,000,603	2,483,481	30,653,267
Fund balance as of June 30, 2024	\$ 2,841,009	\$ 125,429	\$ 10,237,335	\$ 4,421,696	\$ 2,327,366	\$ 19,952,835

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, 2024

Net change in total fund balances - governmental funds	\$ (10,700,432)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported as expenditures in the governmental fund financial statements because they use current financial resources, but they are treated as assets in the statement of net position and depreciated over their estimated economic lives. The difference is the amount by which capital outlay exceeds depreciation expense for the year.	12,314,668
Amortization of deferred outflows or resources is not recognized in the governmental fund financial statements, but is a component of interest in the Statement of Activities.	(6,510)
Amortization of bond premiums are recognized as revenue in the statement of activities, but are not recognized fund financial statements.	1,143
Amortization of bond discounts are recognized as revenue in the statement of activities, but are not recognized fund financial statements.	(10,983)
Bond, lease, and right-of-use lease payments are recognized as expenditures of current financial resources in the governmental fund financial statements, but are reductions of liabilities in the Statement of Net Position.	1,458,734
Calculated pension and OPEB expense is not recognized on the governmental fund financial statements, but is recognized as an expense on the Statement of Activities. while pension contributions are deferred on the Statement of Net Position	566,025
Accumulated sick leave is recognized by the amount earned in the statement of activities, but the governmental fund financial statements only recognize the obligations anticipated to be retired from existing financial resources.	(24,619)
Interest payments are recognized as expenditures of financial resources in the governmental fund financial statements, but are expensed as incurred in the Statement of Activities.	<u>11,632</u>
Change in net position - governmental activities	<u>\$ 3,609,658</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

	<u>Food Service Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 93,860
Inventories	7,585
Accounts Receivable	<u>-</u>
Total current assets	<u>101,445</u>
Noncurrent assets	
Net OPEB asset	8,382
Capital assets	1,177,442
Less accumulated depreciation	<u>(764,850)</u>
Total noncurrent assets	<u>420,974</u>
Total assets	<u>522,419</u>
Deferred outflow of resources	
Deferred outflows OPEB	40,301
Deferred outflows pension	<u>106,291</u>
Total deferred outflows of resources	<u>146,592</u>
Total assets and deferred outflows	<u>\$ 669,011</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>\$ 76</u>
Total current liabilities	<u>76</u>
Noncurrent liabilities	
Net pension liability	<u>389,694</u>
Total noncurrent liabilities	<u>389,694</u>
Total liabilities	<u>389,770</u>
Deferred inflow of resources	
Deferred inflows - OPEB	156,395
Deferred inflows - Pension	<u>98,461</u>
Total deferred inflows of resources	<u>254,856</u>
NET POSITION	
Net investment in capital assets	412,592
Restricted for:	
Other	(388,207)
Unrestricted	<u>-</u>
Total net position	<u>24,385</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 669,011</u>

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Food Service Fund</u>
Operating revenues	
Lunchroom sales	\$ <u>673,157</u>
Total operating revenues	<u>673,157</u>
Operating expenses	
Salaries and wages	214,660
Employee benefits	127,720
Materials and supplies	495,764
Pension expense	(48,316)
Depreciation	<u>65,348</u>
Total operating expenses	<u>855,176</u>
Operating loss	<u>(182,019)</u>
Nonoperating revenues	
State grants	62,895
Interest income	<u>4,858</u>
Total nonoperating revenues/(expenses)	<u>67,753</u>
Transfer in	<u>87,000</u>
Change in net position	<u>(27,266)</u>
Net position as of June 30, 2023	<u>51,651</u>
Net position as of June 30, 2024	<u>\$ 24,385</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Food Service Fund</u>
Cash flows from operating activities	
Cash received from:	
Lunchroom sales	\$ 673,157
Cash paid to/for:	
Employees	(342,380)
Supplies	(496,543)
Net cash used in operating activities	<u>(165,766)</u>
Cash flows from non-capital financing activities	
Grants received	62,895
Net cash used in non-capital financing activities	<u>62,895</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	-
Interfund transfer	87,000
Net cash used in capital and related financing activities	<u>87,000</u>
Cash flows from investing activities	
Interest income	4,858
Net cash provided from investing activities	<u>4,858</u>
Net increase in cash and cash equivalents	(11,013)
Cash and cash equivalents as of June 30, 2023	<u>104,873</u>
Cash and cash equivalents as of June 30, 2024	<u>\$ 93,860</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income/ (loss)	\$ (182,019)
Adjustments to reconcile change in net position to net cash used in operating activities:	
Increase in accounts payable	76
Net change in pension and OPEB expense	(48,316)
Inventory	(855)
Depreciation	65,348
Net cash used in operating activities	<u>\$ (165,766)</u>
Schedule of non-cash transactions:	
Depreciation	<u>\$ 65,348</u>
Total non-cash transactions	<u>\$ 65,348</u>

1. REPORTING ENTITY

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

The District, for financial purposes, includes all of the funds and activities relevant to the operation of the Beechwood Independent Board of Education. The basic financial statements presented herein do not include funds of groups and organizations, which, although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc. Such funds or groups have been considered as prospective component units under GASB Statement Number 39, *Determining Whether Certain Organizations Are Component Units*, and have been determined to have insignificant assets, liabilities, equity, revenue and expenditures to be considered component units. In addition, the Board has the ability to exert little control over the fiscal activities of the funds or groups.

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

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

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

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The following is a summary of the basis of presentation:

Government-wide Financial Statements - The statement of net position and the statement of revenues, expenses, and changes in net position display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental, which normally are supported by tax revenues, and those that are considered business-type activities, which rely significantly on fees and charges for support.

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

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

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

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

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities; and a statement of revenues, expenditures and changes in fund balances, which reports on the changes in total fund balances. Proprietary funds and fiduciary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

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

The District has the following funds:

I. Government Fund Types

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

The Special Revenue (Grant) Funds account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of the specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards, if applicable in this report. This is a major fund of the District.

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

I. Government Fund Types - continued

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

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

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

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the District's facility plan.
2. The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.
3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction and/or remodeling. This is a major fund of the District.

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

II. Proprietary Fund Types (Enterprise Funds)

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

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

Basis of Accounting

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

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

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

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

Unearned Revenue/Advances from Grantors - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue. The District reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, grants that are intended to finance future periods are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

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

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

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

Property Taxes

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

The property tax rates (including exonerations) assessed for the year ended June 30, 2024, to finance the General Fund operations were \$.77 per \$100 valuation for real property, \$.952 per \$100 valuation for business personal property and \$.574 per \$100 valuation for motor vehicles.

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

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

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

Prepaid Assets

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

Right-of-Use Assets

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

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

Interfund Receivables and Payables

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

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

The entire compensated absence liability includes the remaining 70% plus any accrued sick leave for people not eligible and is reported on the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as an assigned portion of fund balance. The balance of the liability is not recorded.

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

Bonds and Related Premiums, Discounts, and Issuance Costs

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

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

Budgetary Process

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

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

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

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

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

Cash and Cash Equivalents

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

Receivables

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

Inventories

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balances

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

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

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

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

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

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

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

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

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

Encumbrances

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are appropriated in the next year. Encumbrances are considered a managerial assignment of fund balance at June 30, 2024, in the governmental funds balance sheet.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Operating and Non-Operating Revenues and Expenses

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

Contributions of Capital

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

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

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

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

Estimates

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

Deferred Inflows and Deferred Outflows of Resources

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

Pensions and Other Post-employment Benefits

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

Other Post-employment Benefits (OPEB)

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

3. DEPOSITS AND INVESTMENTS

Deposits

The District's deposits (demand deposit accounts) are carried at cost, which approximates fair value. At June 30, 2024, the book balance of the District's bank deposits and the bank balances were as follows:

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

3. DEPOSITS AND INVESTMENTS-CONTINUED

	<u>Bank Balance</u>	<u>Book Balance</u>
BNY Mellon	\$ 4,428,559	\$ 4,428,559
Heritage Bank	7,018,405	6,787,002
US Bank	<u>10,711,791</u>	<u>10,711,791</u>
	<u>\$ 22,158,755</u>	<u>\$ 21,927,352</u>

Breakdown per financial statements is as follows:

Governmental funds	\$ 21,833,492
Proprietary funds	<u>93,860</u>
	<u>\$ 21,927,352</u>

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2024, none of the District's bank balance was exposed to custodial credit risk because of coverage by Federal Depository insurance and by collateral agreements and collateral held by the pledging banks' trust departments in the District's name.

Investments

Funds of the District are public funds and, therefore, their investment is limited by statute to certain obligations of the United States or similar government agencies, cash instruments, and certain pooled investment funds as provided by KRS 66.480. At June 30, 2024, the District holds only demand deposits and certificates of deposit considered to be cash equivalents. Consequently, the District does not have investment related credit risk or interest risk.

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

5. CAPITAL ASSETS

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

	June 30, 2023			June 30, 2024
	Balance	Additions	Retirements	Balance
Governmental Activities				
Land & land improvements	\$ 3,325,275	\$ 283,444	\$ -	\$ 3,608,719
Buildings	34,248,094	-	-	34,248,094
Technology equipment	449,893	30,334	-	480,227
Vehicles	530,706	29,614	278,624	281,696
General equipment	747,591	75,912	-	823,503
Construction work in progress	16,075,753	12,877,879	-	28,953,632
Total historical cost	55,377,312	13,297,183	278,624	68,395,871
Less accumulated depreciation	12,329,463	982,415	278,524	13,033,354
Governmental capital assets, net	<u>\$ 43,047,849</u>	<u>\$ 12,314,768</u>	<u>\$ 100</u>	<u>\$ 55,362,517</u>
Business-type Activities				
Buildings and Improvements	\$ 497,211	\$ -	\$ -	\$ 497,211
General equipment	680,232	-	-	680,232
Total historical cost	1,177,443	-	-	1,177,443
Less accumulated depreciation	699,501	65,348	-	764,849
Business-type capital assets, net	<u>\$ 477,942</u>	<u>\$ (65,348)</u>	<u>\$ -</u>	<u>\$ 412,592</u>

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

Instruction	\$ 370,344
Student Support Services	149,631
Instructional Staff Support Services	14,718
School Admin Support	135,281
Plant operation and maintenance	297,437
Student transportation	15,004
	<u>\$ 982,415</u>

6. RIGHT-OF-USE ASSETS

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

6. RIGHT-OF-USE ASSETS – CONTINUED

Right-of-use leased asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Intangible right-of-use assets	\$ 188,244	\$ -	\$ -	\$ 188,244
Totals at historical cost	188,244	-	-	188,244
Less: accumulated amortization	(137,260)	(47,061)	-	(184,321)
Right-of-use assets - net	<u>\$ 50,984</u>	<u>\$ (47,061)</u>	<u>\$ -</u>	<u>\$ 3,923</u>

The lease liability as of June 30, 2024 was \$4,157.

7. LONG-TERM DEBT

A. LEASES PAYABLE

The District has entered into a capital lease agreement for equipment which will become the property of the District when all terms of the lease agreement are met. The following schedule presents the capital lease activity for the year ended June 30, 2024:

Description	Maturity	Interest Rates	Original Issue	Balance July 1, 2023	Debt Issued	Debt Paid	Balance June 30, 2024	Due Within One Year
2018 Issue	7/31/2023	3.00%	\$ 36,491	\$ 654	\$ -	\$ 654	\$ -	\$ -
2019 Issue	11/30/2024	3.00%	44,244	13,215	-	9,270	3,945	3,945
2023 Issue	7/31/2028	4.00%	40,887	-	40,887	6,898	33,989	7,819
			<u>\$ 121,622</u>	<u>\$ 13,869</u>	<u>\$ 40,887</u>	<u>\$ 16,822</u>	<u>\$ 37,934</u>	<u>\$ 11,764</u>

The following presents a schedule by years of the future minimum lease payments under capital lease as of June 30, 2024:

	Principal	Interest	Total
2024-25	\$ 11,764	\$ 1,247	\$ 13,011
2025-26	8,137	899	9,036
2026-27	8,469	567	9,036
2027-28	8,814	222	9,036
2028-29	750	3	753
	<u>\$ 37,934</u>	<u>\$ 2,938</u>	<u>\$ 40,872</u>

B. LONG-TERM OBLIGATIONS

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

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

See table on next page

7. LONG-TERM DEBT - CONTINUED

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

The District, through the General Fund, including utility taxes, the FSPK Building Fund, and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund, is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Beechwood Independent School District Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

In 1987, the District entered into "participation agreements" with the Kentucky School Facility Construction Commission. The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. The table below sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues.

The liability for the total bond amount remains with the District and, as such, the total principal outstanding has been recorded in the financial statements.

Generally, all bonds issued are secured by a statutory mortgage lien on the respective school buildings and appurtenant properties, including any subsequent additions thereto. The agreements contain a provision that in the event of default, action can be taken to compel specific performance. The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission at June 30, 2024 for debt service (principal and interest) are as follows:

See table on next page

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

7. LONG-TERM DEBT - CONTINUED

Year	Beechwood Independent School District		Kentucky School Facility Construction Commission		Federal Interest	Total Principal	Total Interest
	Principal	Interest	Principal	Interest			
2024-25	\$ 1,379,232	\$ 1,564,513	\$ 140,768	\$ 47,824	\$ 375,732	\$ 1,520,000	\$ 1,988,069
2025-26	1,415,324	1,528,016	144,676	43,916	375,732	1,560,000	1,947,663
2026-27	1,456,259	1,489,286	148,741	39,852	375,732	1,605,000	1,904,870
2027-28	1,496,963	1,445,608	153,037	35,555	375,732	1,650,000	1,856,895
2028-29	1,542,465	1,399,918	157,535	31,057	375,732	1,700,000	1,806,707
2029-30	1,591,246	1,351,460	143,754	26,421	375,732	1,735,000	1,753,613
2030-31	9,198,501	1,306,338	96,499	22,712	187,866	9,295,000	1,516,916
2031-32	1,687,459	1,256,296	97,541	19,654	-	1,785,000	1,275,950
2032-33	1,743,357	1,201,616	101,643	16,559	-	1,845,000	1,218,175
2033-34	1,800,131	1,145,054	104,869	13,334	-	1,905,000	1,158,388
2034-35	1,856,775	1,086,579	108,225	9,977	-	1,965,000	1,096,556
2035-36	1,923,201	1,023,176	36,799	6,512	-	1,960,000	1,029,688
2036-37	1,996,841	948,112	38,159	5,150	-	2,035,000	953,263
2037-38	2,070,429	874,999	39,571	3,739	-	2,110,000	878,738
2038-39	2,150,792	792,160	14,208	2,265	-	2,165,000	794,425
2039-40	2,235,185	708,061	14,815	1,657	-	2,250,000	709,719
2040-41	2,324,541	619,580	15,459	1,014	-	2,340,000	620,594
2041-42	2,423,870	519,145	16,130	343	-	2,440,000	519,488
2042-43	1,550,000	433,731	-	-	-	1,550,000	433,731
2043-44	1,620,000	363,375	-	-	-	1,620,000	363,375
2044-45	1,695,000	288,788	-	-	-	1,695,000	288,788
2045-46	1,775,000	210,713	-	-	-	1,775,000	210,713
2046-47	1,855,000	129,038	-	-	-	1,855,000	129,038
2047-48	1,940,000	43,650	-	-	-	1,940,000	43,650
	<u>\$ 50,727,571</u>	<u>\$ 21,729,209</u>	<u>\$ 1,572,429</u>	<u>\$ 327,541</u>	<u>\$ 2,442,258</u>	<u>\$ 52,300,000</u>	<u>\$ 24,499,008</u>

A summary of the changes in long-term liabilities during the fiscal year ended June 30, 2024 is as follows:

School Building Revenue Bonds	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
2011 Revenue	\$ 7,560,000	\$ -	\$ -	\$ 7,560,000
2014 Revenue	2,945,000	-	440,000	2,505,000
2015 Revenue	3,505,000	-	150,000	3,355,000
2016 Revenue	2,920,000	-	50,000	2,870,000
2016 Revenue	1,780,000	-	215,000	1,565,000
2018 Revenue	1,690,000	-	55,000	1,635,000
2021 Revenue	4,440,000	-	140,000	4,300,000
2022 Revenue	28,940,000	-	430,000	28,510,000
Unamortized premium	9,775	-	1,143	8,632
Unamortized discount	(111,389)	10,983	-	(100,406)
Net Pension Liability (Asset) - CERS	3,426,480	-	401,995	3,024,485
Net OPEB Liability (Asset) - CERS	935,268	-	1,002,344	(67,076)
Net OPEB Liability (Asset) - KTRS	3,644,000	-	1,065,000	2,579,000
Accrued Sick Leave	168,452	24,618	-	193,070
	<u>\$ 61,852,586</u>	<u>\$ 35,601</u>	<u>\$ 3,950,482</u>	<u>\$ 57,937,705</u>

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

8. RETIREMENT PLANS

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

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

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

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

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

Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement.

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

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

Funding Policy - Funding for the plan is provided through payroll withholdings and matching District contributions. The District contributes 23.34% of the employee's total compensation subject to contribution. The pension contribution rate was 23.34% and OPEB has a contribution rate of 0.00%.

8. RETIREMENT PLANS – CONTINUED

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

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

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

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

8. RETIREMENT PLANS - CONTINUED

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

KTRS also provides disability benefits for vested employees at a rate of sixty (60) percent of their final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

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

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees in TRS 1 and TRS 2, 14.105% and 14.105% of salaries for local school district and regional cooperative employees in TRS 3, and 10.750% of salaries for local school district and regional cooperative employees in TRS 4. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries for employees in TRS 1 And TRS 2, 17.105% of salaries for employees in TRS 3, and 10.750% of salaries for employees in TRS 4. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member’s request.

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

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

District’s proportionate share of the CERS net pension liability (asset)	\$	3,024,485
Commonwealth’s proportionate share of the KTRS net pension liability (asset) associated with the District		<u>34,388,227</u>
	\$	<u>37,412,712</u>

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

8. RETIREMENT PLANS - CONTINUED

The District's proportion of the net pension liability (asset) for CERS was based on the actual liability (asset) of the employees and former employees relative to the total liability (asset) of the System as determined by the actuary. At June 30, 2023, the District's proportion was 0.047136%.

For the year ended June 30, 2024, the District recognized pension expense (credit) of (\$221,700) related to CERS and \$2,068,493 related to KTRS. The District also recognized revenue of \$2,068,493 for KTRS support provided by the Commonwealth. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,572	\$ 8,218
Changes of assumptions	-	277,196
Net difference between projected and actual earnings on pension plan investments	326,730	367,986
Changes in proportion and differences between District contributions and proportionate share of contributions	3,394	110,776
District contributions subsequent to the measurement date	<u>338,246</u>	<u>-</u>
Total	<u>\$ 824,942</u>	<u>\$ 764,176</u>

The \$338,246 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (194,222)
2025	(121,497)
2026	67,519
2027	<u>(29,280)</u>
	<u>\$ (277,480)</u>

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

	CERS	KTRS
Inflation	2.50%	2.50%
Projected salary increases	3.30%-10.30%	3.00-7.50%
Investment rate of return, net of investment expense & inflation	6.50%	7.10%
Municipal bond index rate		3.66%
Single equivalent interest rate		7.10%

8. RETIREMENT PLANS – CONTINUED

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

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

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

Sensitivity of CERS and KTRS proportionate share of net pension liability (asset) to changes in the discount rate—The following table presents the net pension liability (asset) of the District, calculated using the discount rates selected by each pension system, as well as what the District’s net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability (asset)	\$ 3,818,596	\$ 3,024,485	\$ 2,364,550
KTRS	6.10%	7.10%	8.10%
State's proportionate share of net pension liability (asset)	\$ -	\$ -	\$ -

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

The District’s contribution (both withholding and match) KTRS for the year ended June 30, 2024 and 2023, was \$276,741 and \$254,656, respectively. The District’s contributions (both withholding and match) CERS for the year ended June 30, 2024 and 2023, was \$338,246 and \$374,542, respectively. The District met their contribution requirements.

9. OTHER POST-EMPLOYMENT BENEFITS PLAN

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

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

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

Medical Insurance Plan

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

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

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

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

At June 30, 2024, the District reported a liability (asset) of \$2,579,000 for its proportionate share of the collective net OPEB liability (asset) that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability (asset) used to calculate the collective net OPEB liability (asset) was based on projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.105869%.

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

See table on next page

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

District's proportionate share of the KTRS net OPEB liability (asset)	\$ 2,579,000
Commonwealth's proportionate share of the KTRS net OPEB liability (asset) associated with the District	<u>2,173,000</u>
	<u>\$ 4,752,000</u>

For the year ended June 30, 2024, the District recognized OPEB expense of 169,082 and revenue of \$169,082 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 874,000
Changes of assumptions	586,000	-
Net difference between projected and actual earnings on pension plan investments	48,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	821,000	1,002,000
District contributions subsequent to the measurement date	<u>276,741</u>	<u>-</u>
Total	<u>\$ 1,731,741</u>	<u>\$ 1,876,000</u>

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

<u>Year ended June 30:</u>	
2025	\$ (128,000)
2026	(121,000)
2027	21,000
2028	(11,000)
2029	(89,000)
Thereafter	<u>(93,000)</u>
	<u>\$ (421,000)</u>

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

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

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00-7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
Under 65	6.75% for FY 2023 decreasing to an ultimate rate of 4.50% by FY 2032
Ages 65 and Older	6.75% for FY 2023 decreasing to an ultimate rate of 4.50% by FY 2032
Medicare Part B	1.55% for FY 2023 with an ultimate rate of 4.50% by FYE 2034
Municipal Bond Index Rate	3.66%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
KTRS	6.10%	7.10%	8.10%
District’s proportionate share of net OPEB liability (asset)	\$ 3,317,000	\$ 2,579,000	\$ 1,969,000

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
KTRS			
District's proportionate share of net OPEB liability (asset)	\$ 1,856,000	\$ 2,579,000	\$ 3,478,000

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

Life Insurance Plan

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

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

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

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

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

District's proportionate share of the KTRS net OPEB Life Insurance Plan liability (asset)	\$ -
Commonwealth's proportionate share of the KTRS net OPEB Life Insurance liability (asset) associated with the District	<u>54,000</u>
	<u>\$ 54,000</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

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

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

The remaining actuarial assumptions (e.g. initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
KTRS	6.10%	7.10%	8.10%
State's proportionate share of net OPEB liability (asset) - Life Insurance	\$ 82,319	\$ 54,000	\$ 30,782

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

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

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

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

Benefits provided—CERS provides hospital and medical insurance for eligible members receiving benefits from the pension plan. Employees are vested in the plan after five years' service. For plan purposes, employees are grouped into two groups, based on hire date. Members who reach a minimum vesting period of 10 years, and began participating on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. For members participating prior to July 1, 2003, are paid up to a maximum of \$13.18 per month for every year of earned service. The percentage of the maximum monthly benefit paid is based on years of service as follows:

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

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

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

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

At June 30, 2024, the District reported a liability (asset) of (\$65,076) for its proportionate share of the collective net OPEB liability (asset) that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability (asset) used to calculate the collective net OPEB liability (asset) was based on projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.047134%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

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

District's proportionate share of the CERS net pension net OPEB liability (asset)	\$	(65,076)
	<u>\$</u>	<u>(65,076)</u>

For the year ended June 30, 2024, the District recognized OPEB expense (credit) of (\$153,340). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 45,368	\$ 924,019
Changes of assumptions	128,066	89,249
Net difference between projected and actual earnings on pension plan investments	121,788	136,891
Changes in proportion and differences between District contributions and proportionate share of contributions	17,676	64,088
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 312,898</u>	<u>\$ 1,214,247</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$0 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30:</u>	
2024	\$ (225,009)
2025	(276,652)
2026	(220,089)
2027	(179,599)
2028	<u>-</u>
	<u>\$ (901,349)</u>

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

9. OTHER POST-EMPLOYMENT BENEFITS PLAN-CONTINUED

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

The following table presents the District’s proportionate share of the collective net OPEB liability (asset) of the System, calculated using the discount rate of 5.93%, as well as what the District’s proportionate share of the collective net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	4.93%	5.93%	6.93%
District’s proportionate share of net OPEB liability (asset)	\$ 122,123	\$ (65,076)	\$ (221,833)

Sensitivity of the District’s proportionate share of the collective net OPEB liability (asset) to changes in the healthcare cost trend rates – The following presents the District’s proportionate share of the collective net OPEB liability (asset), as well as what the District’s proportionate share of the collective net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
District’s proportionate share of net OPEB liability (asset)	\$ (208,581)	\$ (65,076)	\$ 111,206

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

10. DEFERRED COMPENSATION

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

11. CONTINGENCIES

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

12. LITIGATION

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

13. RISK MANAGEMENT

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. Settled claims resulting from these risks have created a potential liability as discussed in the *Litigation* disclosure above.

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

14. DEFICIT FUND BALANCES

The District had no funds with a deficit balance at June 30, 2024.

15. COBRA

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

16. TRANSFER OF FUNDS

The following transfers were made during the year:

<u>Type</u>	<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Operating	General Fund	Special Revenue	KETS	\$ 28,914
Operating	General Fund	District Activity	Turf & Vehicle Replacement	\$ 400,000
Operating	Building	Debt Service	Debt Service	\$ 38,565
Operating	Capital Outlay	Debt Service	Debt Service	\$ 2,902,108
Operating	District Activity	General Fund	Budget Amendments	\$ 368,150
Operating	Capital Outlay	General Fund	Capital Funds Transfer	\$ 95,828
Operating	General Fund	Food Service	Local Grant for Cafeteria	\$ 87,000

17. ON-BEHALF PAYMENTS

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED JUNE 30, 2024

17. ON-BEHALF PAYMENTS (CONTINUED)

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

Retirement annuity trust contributions to the Teachers' Retirement System of Kentucky	\$	2,068,493
Health and life insurance contributions to the Teachers' Retirement System of Kentucky		174,431
Health and Life insurance		1,498,920
Other Less Federal		(50,408)
Technology		72,608
Debt Service		533,596
	<u>\$</u>	<u>4,297,640</u>

18. FUND BALANCE DESIGNATIONS

The following funds had nonspendable fund balances as follows:

Fund	Amount	Purpose
General	\$ 130,774	Prepaid expenses

The following funds had restricted fund balances as follows:

Fund	Amount	Purpose
General	\$ 96,535	Sick Leave
Special Revenue	\$ 125,429	Grants
School Activity Funds	\$ 186,628	Activity Funds
Capital Outlay Fund	\$ 137,154	Capital Outlay
Building Fund	\$ 771,043	Construction
Debt Service	\$ 4,421,696	Debt Service
Construction	\$ 10,237,335	Future Construction

The following funds had assigned fund balances as follows:

Fund	Amount	Purpose
General	\$ 77,739	Annual leave
District Activity	\$ 1,232,541	Purchase obligations

19. INTERFUND PAYABLES

At June 30, 2024, there were interfund receivables of \$197,968 in the General Fund and interfund payables of \$39,363 in the Special Revenue Fund and \$158,605 in the Debt Service Fund.

20. SUBSEQUENT EVENTS

Management of the District has evaluated subsequent events through November 4, 2024, which was the date the report was available for release. No events have occurred subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources				
Taxes:				
Property	\$ 5,031,429	\$ 5,031,429	\$ 5,030,948	\$ (481)
Motor vehicle	396,982	396,982	447,052	50,070
Utility	497,928	497,928	527,106	29,178
Other	9,043	9,043	6,737	(2,306)
Tuition	461,000	461,000	549,186	88,186
Transportation fees	3,000	3,000	11,357	8,357
Earnings on investments	10,000	10,000	287,844	277,844
Student fees	161,000	161,000	189,741	28,741
Other local	97,438	97,438	94,509	(2,929)
Intergovernmental - State	7,753,134	7,753,134	8,400,094	646,960
Intergovernmental - Federal	10,000	10,000	18,929	8,929
Total revenues	14,430,954	14,430,954	15,563,503	1,132,549
Expenditures				
Current:				
Instruction	10,242,806	10,242,806	9,028,794	1,214,012
Student	951,464	951,464	894,092	57,372
Instructional support	462,998	462,998	412,297	50,701
District administration	783,433	783,433	812,161	(28,728)
School administration	867,155	867,155	928,723	(61,568)
Business operations	595,289	595,289	618,260	(22,971)
Plant operations and maintenance	1,746,931	1,746,931	1,799,434	(52,503)
Student transportation	113,106	113,106	114,247	(1,141)
Contingency	750,001	750,001	-	750,001
Total expenditures	16,513,183	16,513,183	14,608,008	1,905,175
Excess (deficit) of revenues over (under) expenditures	(2,082,229)	(2,082,229)	955,495	3,037,724
Other financing sources (uses)				
Gain on sale of asset	-	-	11,831	11,831
Transfers in	368,150	368,150	463,978	95,828
Transfers out	(39,926)	(39,926)	(515,914)	(475,988)
Total other financing sources (uses)	328,224	328,224	(40,105)	(368,329)
Net change in fund balance	(1,754,005)	(1,754,005)	915,390	2,669,395
Fund balance as of June 30, 2023	1,754,005	1,754,005	1,925,619	171,614
Fund balance as of June 30, 2024	\$ -	\$ -	\$ 2,841,009	\$ 2,841,009

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources:				
Other local	\$ 35,473	\$ 35,473	\$ 16,360	\$ (19,113)
Earnings on investments	-	-	7,497	7,497
Intergovernmental - State	611,561	611,561	550,165	(61,396)
Intergovernmental - Federal	686,437	686,437	859,356	172,919
Total revenues	<u>1,333,471</u>	<u>1,333,471</u>	<u>1,433,378</u>	<u>99,907</u>
Expenditures				
Current:				
Instruction	1,221,061	1,221,061	1,272,225	(51,164)
Student support services	128,995	128,995	180,464	(51,469)
Total expenditures	<u>1,350,056</u>	<u>1,350,056</u>	<u>1,452,689</u>	<u>(102,633)</u>
Deficit of revenues under expenditures	<u>(16,585)</u>	<u>(16,585)</u>	<u>(19,311)</u>	<u>(2,726)</u>
Other financing sources				
Operating transfers in	16,585	16,585	28,914	12,329
Operating transfers out	-	-	-	-
Total other financing sources	<u>16,585</u>	<u>16,585</u>	<u>28,914</u>	<u>12,329</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>9,603</u>	<u>9,603</u>
Fund balance as of June 30, 2023	<u>-</u>	<u>-</u>	<u>115,826</u>	<u>-</u>
Fund balance as of June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,429</u>	<u>\$ 9,603</u>

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 COUNTY EMPLOYEES RETIREMENT SYSTEM
 JUNE 30, 2024

	District's proportion of net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.05%	\$ 3,024,485	\$ 1,562,089	193.62%	57.48%
2023	0.05%	\$ 3,428,480	\$ 1,421,208	241.10%	52.42%
2022	0.05%	\$ 3,299,915	\$ 1,377,170	239.62%	57.33%
2021	0.05%	\$ 3,618,085	\$ 1,275,257	299.40%	47.81%
2020	0.05%	\$ 3,576,936	\$ 1,262,872	278.82%	50.45%
2019	0.05%	\$ 3,052,627	\$ 1,242,280	245.74%	53.54%
2018	0.05%	\$ 2,721,845	\$ 1,134,406	239.94%	53.30%
2017	0.04%	\$ 2,141,584	\$ 1,037,534	206.41%	55.50%
2016	0.04%	\$ 1,794,192	\$ 925,405	193.88%	59.97%
2015	0.04%	\$ 1,330,000	\$ 939,653	141.54%	66.80%

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 COUNTY EMPLOYEES RETIREMENT SYSTEM
 YEAR ENDED JUNE 30, 2024

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2024	\$ 364,592	\$ 364,592	\$ -	\$ 1,562,089	23.34%
2023	\$ 332,563	\$ 332,563	\$ -	\$ 1,421,208	23.40%
2022	\$ 291,547	\$ 291,547	\$ -	\$ 1,377,170	21.17%
2021	\$ 255,049	\$ 255,049	\$ -	\$ 1,275,257	20.00%
2020	\$ 248,095	\$ 248,095	\$ -	\$ 1,262,872	19.30%
2019	\$ 209,136	\$ 209,136	\$ -	\$ 1,242,280	16.83%
2018	\$ 181,410	\$ 181,410	\$ -	\$ 1,134,406	15.99%
2017	\$ 157,976	\$ 157,976	\$ -	\$ 1,037,534	15.23%
2016	\$ 129,141	\$ 129,141	\$ -	\$ 925,405	13.96%
2015	\$ 124,581	\$ 124,581	\$ -	\$ 939,653	13.26%

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM - PENSION FUND
YEAR ENDED JUNE 30, 2024

Changes of Benefit Terms

None.

Changes of Assumptions

The assumed rate of inflation was increased from 2.30% to 2.50%.
The assumed investment return was changed from 6.25% to 6.50%.
The single discount rate changed from 6.25% to 6.50%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ASSET) - MEDICAL INSURANCE PLAN
COUNTY EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2024

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

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
COUNTY EMPLOYEES RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2024

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

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN
YEAR ENDED JUNE 30, 2024

Changes of Benefit Terms

None.

Changes of Assumptions

The assumed rate of inflation was increased from 2.30% to 2.50%.
The assumed investment return was changed from 6.25% to 6.50%.
The single discount rate changed from 5.70% to 5.93%.
Healthcare trend rates for Pre-65 increased from 6.20% to 6.80%.
Healthcare trend rates for Post-65 decreased from 9.00% to 8.50%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
KENTUCKY TEACHERS' RETIREMENT SYSTEM
 June 30, 2024

	<u>State's proportion of net pension liability (asset)</u>	<u>State's proportionate share of the net pension liability (asset)</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2024	100%	\$ 34,388,227	57.68%
2023	100%	\$ 34,533,077	56.41%
2022	100%	\$ 27,621,201	65.59%
2021	100%	\$ 34,951,247	58.27%
2020	100%	\$ 45,009,983	58.80%
2019	100%	\$ 59,663,968	59.30%
2018	100%	\$ 53,843,257	39.83%
2017	100%	\$ 26,545,242	35.22%
2016	100%	\$ 26,442,851	42.49%
2015	100%	\$ 29,578,817	45.59%

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATE CONTRIBUTIONS
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2024

	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>
2024	\$ 2,068,493	\$ 2,068,493	\$ -
2023	\$ 3,150,843	\$ 3,150,843	\$ -
2022	\$ 2,204,817	\$ 2,204,817	\$ -
2021	\$ 2,140,960	\$ 2,140,960	\$ -
2020	\$ 2,140,482	\$ 2,140,482	\$ -
2019	\$ 1,923,407	\$ 1,923,407	\$ -
2018	\$ 1,913,021	\$ 1,913,021	\$ -
2017	\$ 981,718	\$ 981,718	\$ -
2016	\$ 930,864	\$ 930,864	\$ -
2015	\$ 823,639	\$ 823,639	\$ -

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
KENTUCKY TEACHERS RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2024

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.37% to 3.66%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ASSET) - MEDICAL INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
JUNE 30, 2024

	District's proportion of net OPEB liability (asset)	District's proportionate share of the net OPEB liability (asset)	State's proportionate share of the net OPEB liability (asset)	District's covered-employee payroll	District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.11%	\$ 2,579,000	\$2,173,000	\$ 7,289,236	35.38%	52.97%
2023	0.15%	\$ 3,644,000	\$1,597,000	\$ 7,124,434	51.15%	47.75%
2022	0.11%	\$ 2,421,000	\$1,966,000	\$ 6,994,200	34.61%	51.74%
2021	0.11%	\$ 2,817,161	\$2,256,636	\$ 7,013,274	40.17%	39.05%
2020	0.11%	\$ 3,236,266	\$2,613,504	\$ 6,658,011	48.61%	32.58%
2019	0.10%	\$ 3,615,962	\$3,116,220	\$ 6,457,537	56.00%	25.50%
2018	0.10%	\$ 3,745,212	\$3,059,298	\$ 6,256,171	59.86%	21.18%

This schedule is presented to illustrate the requirement to show information for 50 years. More information will be added as it becomes available.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2024

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

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
KENTUCKY TEACHERS' RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN
YEAR ENDED JUNE 30, 2024

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.37% to 3.66%.

Health care cost trends increased from 5.125% to 6.75%.

Health care cost trends for Medicare Part B Premiums decreased from 6.97% to 1.55%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF PROPORTIONATE SHARE OF THE
 NET OPEB LIABILITY (ASSET) - LIFE INSURANCE PLAN
 KENTUCKY TEACHERS' RETIREMENT SYSTEM
 JUNE 30, 2024

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

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATE CONTRIBUTIONS - LIFE INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2024

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

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

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
KENTUCKY TEACHERS' RETIREMENT SYSTEM - LIFE INSURANCE PLAN
YEAR ENDED JUNE 30, 2024

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.37% to 3.66%.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	District Activity Fund	Student Activity Fund	SEEK Capital Outlay Fund	Facility Support Program (FSPK) Fund	Total Non-major Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,464,853	\$ 186,628	\$ 137,154	\$ 771,043	\$ 2,559,678
Accounts receivable	992	-	-	-	992
Total assets	\$ 1,465,845	\$ 186,628	\$ 137,154	\$ 771,043	\$ 2,560,670
LIABILITIES AND FUND BALANCES					
Liabilities					
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	133,476	-	-	-	133,476
Advances from grantor	99,828	-	-	-	99,828
Total liabilities	233,304	-	-	-	233,304
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	-	186,628	137,154	771,043	1,094,825
Assigned	1,232,541	-	-	-	1,232,541
Unassigned	-	-	-	-	-
Total fund balances	1,232,541	186,628	137,154	771,043	2,327,366
Total liabilities and fund balances	\$ 1,465,845	\$ 186,628	\$ 137,154	\$ 771,043	\$ 2,560,670

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	District Activity Fund	Student Activity Fund	SEEK Capital Outlay Fund	Facility Support Program (FSPK) Fund	Total Non-major Governmental Funds
Revenues					
Property tax	\$ -	\$ -	\$ -	\$ 1,968,448	\$ 1,968,448
Earnings on investments	-	-	6,107	31,947	38,054
Student activities	-	616,128	-	-	616,128
Student fees	95,932	-	-	-	95,932
Other local sources	83,048	44,867	-	-	127,915
Intergovernmental - State	-	-	144,929	976,508	1,121,437
Intergovernmental - Federal	35,640	-	-	-	35,640
Total revenues	214,620	660,995	151,036	2,976,903	4,003,554
Expenditures					
Instruction	198,452	623,072	-	-	821,524
District administration	20,512	-	-	-	20,512
Site improvement	283,444	-	-	-	283,444
Other	-	29,538	-	-	29,538
Debt service	-	-	-	-	-
Total expenditures	502,408	652,610	-	-	1,155,018
Other financing sources (uses)					
Transfers in	400,000	-	-	-	400,000
Transfers out	(368,150)	-	(109,393)	(2,927,108)	(3,404,651)
Total other financing sources (uses)	31,850	-	(109,393)	(2,927,108)	(3,004,651)
Net change in fund balance	(255,938)	8,385	41,643	49,795	(156,115)
Fund balance as of June 30, 2023	1,488,479	178,243	95,511	721,248	2,483,481
Fund balance as of June 30, 2024	\$ 1,232,541	\$ 186,628	\$ 137,154	\$ 771,043	\$ 2,327,366

BEECHWOOD INDEPENDENT SCHOOL DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BEECHWOOD ELEMENTARY SCHOOL
YEAR ENDED JUNE 30, 2024**

<u>School/ Activity Fund</u>	<u>Cash and Equivalents June 30, 2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Cash Equivalents June 30, 2024</u>	<u>Accounts Receivable June 30, 2024</u>	<u>Accounts Payable June 30, 2024</u>	<u>Balances June 30, 2024</u>
Beechwood Elementary	\$ 16,696	\$ 106,437	\$ 110,675	\$ 12,458	\$ -	\$ -	\$ 12,458
Totals	\$ 16,696	\$ 106,437	\$ 110,675	\$ 12,458	\$ -	\$ -	\$ 12,458

See accompanying independent auditor's report.

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BEECHWOOD HIGH SCHOOL
YEAR ENDED JUNE 30, 2024

	Balances June 30, 2023	Receipts	Disbursements	Transfers in (out)	Cash and cash equivalents	Accounts Receivable June 30, 2024	Accounts Payable June 30, 2024	Balances June 30, 2024
General/Suspense	\$ 705	\$ 9,355	\$ 3,365	\$ (4,933)	\$ 1,762	\$ -	\$ -	\$ 1,762
Student support	4,445	4,941	4,810	1,726	6,302	-	-	6,302
Instructional field trips	3,560	11,620	13,765	-	1,415	-	-	1,415
Academic team	-	160	575	415	-	-	-	-
MS Academics	-	280	595	315	-	-	-	-
Art Club	6	-	-	-	6	-	-	6
Chess Club	11	-	-	-	11	-	-	11
FBLA	2,779	3,788	4,183	-	2,384	-	-	2,384
FCCLA	157	-	-	-	157	-	-	157
Educators Rising	-	365	300	-	65	-	-	65
GSA	85	-	-	-	85	-	-	85
Homecoming	658	2,650	2,724	-	584	-	-	584
Kuna	4,889	-	-	-	4,889	-	-	4,889
Zoology Club	-	-	-	-	-	-	-	-
Latin Club	-	-	-	-	-	-	-	-
Math Club (Mu Alpha Theta)	35	900	912	-	23	-	-	23
National Honor Society	7,411	4,244	9,963	-	1,692	-	-	1,692
National English honor Socie	160	40	337	137	-	-	-	-
Spanish Club	118	150	244	-	24	-	-	24
Forensics	3,724	9,956	12,062	-	1,618	-	-	1,618
STLP	755	-	390	-	365	-	-	365
Student Council	7,021	22,498	23,293	2,340	8,566	-	-	8,566
Theatre	11,005	25,865	27,491	75	9,454	-	-	9,454
Yearbook	17,890	9,386	19,080	-	8,196	-	-	8,196
Veteran's Day	119	87	-	-	206	-	-	206
Athletics General	17,643	153,614	137,780	(5,690)	27,787	-	-	27,787
Start-up funding	-	4,500	4,500	-	-	-	-	-
Cheerleading	4,463	29,196	27,768	1,050	6,941	-	-	6,941
Boys Basketball	8,117	38,256	35,749	450	11,074	-	-	11,074
Girls Basketball	3,163	9,250	7,064	-	5,349	-	-	5,349
Baseball	1,938	27,224	19,976	1,000	10,186	-	-	10,186
Softball	566	7,353	2,252	-	5,667	-	-	5,667
Football	8,181	25,292	22,298	700	11,875	-	-	11,875
Boys Golf	1,883	7,945	6,559	-	3,269	-	-	3,269
Girls Golf	4,333	6,942	5,094	-	6,181	-	-	6,181

Continued on next page

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BEECHWOOD HIGH SCHOOL
YEAR ENDED JUNE 30, 2024

	Balances June 30, 2023	Receipts	Disbursements	Transfers in (out)	Cash and cash equivalents	Accounts Receivable June 30, 2024	Accounts Payable June 30, 2024	Balances June 30, 2024
Boys Soccer	5,623	6,424	7,243	(775)	4,029	-	-	4,029
Girls Soccer	12,339	540	5,886	1,395	8,388	-	-	8,388
Boys Tennis	1,840	1,029	832	-	2,037	-	-	2,037
Girls Tennis	506	1,695	2,185	-	16	-	-	16
Track	1,908	7,278	7,559	-	1,627	-	-	1,627
Archery	1,286	11,250	12,941	405	-	-	-	-
Bowling	30	136	113	-	53	-	-	53
E-Sports	-	-	-	-	-	-	-	-
Swim Team	605	1,473	1,113	-	965	-	-	965
Unified Tigers	979	1,219	1,443	-	755	-	-	755
Volleyball	2,023	10,361	6,750	975	6,609	-	-	6,609
Cross Country	6,938	10,787	10,154	490	8,061	-	-	8,061
Band	7,609	62,184	69,793	-	-	-	-	-
Choir	3,347	16,125	13,918	(75)	5,479	-	-	5,479
Student Fees	695	2,630	3,306	-	19	-	-	19
Technology	-	1,085	1,085	-	-	-	-	-
Transportation fees	-	4,485	4,485	-	-	-	-	-
	<u>\$ 161,547</u>	<u>\$ 554,558</u>	<u>\$ 541,935</u>	<u>\$ -</u>	<u>\$ 174,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,170</u>

See accompanying independent auditor's report.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
Expenditures			
U.S. Department of Education			
Passed through the Kentucky Department of Education:			
Title I Grants to Local Educational Agencies	84.010	3100202-21	\$ 1,504
Title I Grants to Local Educational Agencies	84.010	3100202-22	46,158
Title I Grants to Local Educational Agencies	84.010	3100202-23	82,048
Total Title I Grants of Local Education Agencies			<u>129,710</u>
Special Education Cluster			
Special Education Grants to States	84.027	3810002-22	44,050
Special Education Grants to States (COVID-19)	84.027	3810002-23	1,848
Special Education Grants to States	84.027	3810002-23	262,578
			<u>308,476</u>
Special Education Preschool Grants	84.173	3800002-21	1,614
Special Education Preschool Grants	84.173	3800002-22	5,163
			<u>6,777</u>
Total Special Education Cluster			<u>315,253</u>
Career and Technical Education -Title I Basic Grants to States	84.048	3710002-23	8,375
			<u>8,375</u>
School Based Mental Health Services	84.184H	534KW	70,900
			<u>70,900</u>
Arts in Education	84.351	5351A210047	7,543
			<u>7,543</u>
Supporting Effective Instruction State Grants	84.367	3230002-21	3,726
Supporting Effective Instruction State Grants	84.367	3230002-22	17,830
Supporting Effective Instruction State Grants	84.367	3230002-23	2,406
			<u>23,962</u>
Student Support and Academic Enrichment Program	84.424	3230002-22	8,770
Student Support and Academic Enrichment Program	84.424	3230002-23	6,945
Total Supporting Effective Instruction State Grants			<u>15,715</u>
Education Stabilization Fund (COVID-19):			
American Rescue Plan Elementary and Secondary Emergency Relief Fund (COVID-19)	84.425U	400000-21	282,627
Elementary and Secondary School Emergency Relief Fund (COVID-19)	84.425D	420002-21	5,271
Total Education Stabilization Fund (COVID-19)			<u>287,898</u>
Total Expenditures of Federal Awards			<u>\$ 859,356</u>

BEECHWOOD SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Beechwood Independent School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because this Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the District.

2. IN-KIND COMMODITIES

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. The District no longer maintains a separate commodities inventory due to changes in program regulations. The valued amount of commodities received for June 30, 2024 was zero.

3. CLUSTER PROGRAMS

The following ALN are considered cluster programs:

Special Education Cluster	
Special Education Grants to States	84.027
Special Education – Preschool Grants	84.173

4. INDIRECT COST RATE

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

5. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principle in OMB Circular A-87, *Cost Principles for State and Local Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards*, wherein, certain types of expenditures are not allowable or are limited as to reimbursement.



Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beechwood Independent School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2024.

Report on Internal Control over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of This Report

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

Cloyd & Associates, PSC

Cloyd & Associates, PSC

London, Kentucky
November 4, 2024



Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Cloyd & Associates, PSC

Cloyd & Associates, PSC

London, Kentucky
November 4, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued		Unmodified	
Internal control over financial reporting:			
Material weakness identified	_____	Yes <input checked="" type="checkbox"/>	No
Significant deficiencies identified that are not considered to be material weaknesses	_____	Yes <input checked="" type="checkbox"/>	None reported
Noncompliance material to financial statement noted	_____	Yes <input checked="" type="checkbox"/>	No

Federal Awards

Internal control over major programs:			
Material weaknesses identified	_____	Yes <input checked="" type="checkbox"/>	No
Significant deficiencies identified that are not considered to be material weaknesses	_____	Yes <input checked="" type="checkbox"/>	None reported
Type of auditors’ report issued on compliance for major programs		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)	_____	Yes <input checked="" type="checkbox"/>	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>ALN</u>
---	------------

Education Stabilization Fund:

American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U
Elementary and Secondary School Emergency Relief Fund	84.425D

Dollar threshold used to distinguish between Type A and Type B program	\$750,000
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Auditee qualified as low risk	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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(continued)

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

None

BEECHWOOD INDEPENDENT SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2024

Summary of Prior Year Findings

There were no prior year audit findings.

MANAGEMENT LETTER COMMENTS



Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

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

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

During our audit, if we noted any matters we feel need reporting that are opportunities for strengthening internal controls and operating efficiency, they will be included on the following pages. This letter does not affect our report thereon dated November 4, 2024, on the basic financial statements of Beechwood Independent School District.

Respectfully,

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
November 4, 2024

Prior Year Comments – School Activity Funds

Beechwood Elementary School

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

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

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

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

Beechwood High School

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

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

Current Year Comments – School Activity Funds

Beechwood Elementary School

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

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

Typically, any payment missing an invoice is due to the vendor not generating an invoice for the expense. In the future, a standard invoice (Redbook F-SA-8) will be used if an invoice is not given by the vendor.

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

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

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

Management Response: Management conducts an annual Redbook Training for relevant leadership staff including proper completion of the multiple receipt form. Leadership will conduct additional trainings throughout the year with additional staff to ensure understanding of the proper completion of the multiple receipt form. In addition, the bookkeeper and accounting staff will review multiple receipt forms when received and provide individual support to those completed incompletely to ensure better compliance with Redbook.

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

Management Response: Management conducts an annual Redbook Training for relevant leadership staff including proper completion of the multiple receipt form. Leadership will conduct additional trainings throughout the year with additional staff to ensure understanding of the proper completion of the multiple receipt form. In addition, the bookkeeper and accounting staff will review multiple receipt forms when received and provide individual support to those completed incompletely to ensure better compliance with Redbook.

Beechwood High School

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

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

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

Management Response: Management conducts an annual Redbook Training for relevant leadership staff including proper completion of the multiple receipt form. Leadership will conduct additional trainings throughout the year with additional staff to ensure understanding of the proper completion of the multiple receipt form. In addition, the bookkeeper and accounting staff will review multiple receipt forms when received and provide individual support to those completed incompletely to ensure better compliance with Redbook.

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Management Response: Management conducts an annual Redbook Training for relevant leadership staff including proper completion of the multiple receipt form. Leadership will conduct additional trainings throughout the year with additional staff to ensure understanding of the proper completion of the multiple receipt form. In addition, the bookkeeper and accounting staff will review multiple receipt forms when received and provide individual support to those completed incompletely to ensure better compliance with Redbook.

APPENDIX C

**Beechwood Independent School District Finance Corporation
School Building Revenue Bonds,
Series of 2025**

Continuing Disclosure Agreement

CONTINUING DISCLOSURE CERTIFICATE

Relating to:

[\$[Final Par]

BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2025

Dated as of: [_____, 2025]

THIS CONTINUING DISCLOSURE CERTIFICATE (this “Certificate”) is executed and delivered as of [_____, 2025], 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 \$[Par] Beechwood Independent School District Finance Corporation School Building Revenue Bonds, Series 2025 (the “Obligations”). The Obligations are being issued under a resolution adopted by the Board of Directors of the Issuer on November 3, 2025 (the “Authorizing Legislation”). The Issuer certifies, covenants and agrees as follows:

Section 1. Purpose of this 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 under 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 [_____, 2025].

“Operating Data” shall mean an update of the Operating Data contained in the Offering Document 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.”]

“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 (i), (ii), and (iii) below:

(i) 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, 2025, 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.

(ii) Event 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.

(iii) 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 is to be Provided to the 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 under the Authorizing Legislation or the Obligations, and shall not be made public before the date of such notice.

(C) Means of Making Information Public.

(i) 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)(ii) 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.

(ii) 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 under this Certificate, 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, without limitation, 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 Certificate, 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
54 Beechwood Road
Fort Mitchell, Kentucky 41017
Attention: Secretary
Telephone: 859-331-1220

To the Board: Board of Education of Beechwood Independent School District
54 Beechwood Road

Fort Mitchell, Kentucky 41017
Attention: Secretary
Telephone: 859-331-1220

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.

[Signature page to follow]

SIGNATURE PAGE TO CONTINUING DISCLOSURE CERTIFICATE

IN WITNESS WHEREOF, the Issuer and the Board have each caused their duly authorized officers to execute this Certificate, as of the day and year first above written.

BEECHWOOD INDEPENDENT SCHOOL
DISTRICT FINANCE CORPORATION

By: _____
President

Attest:

Secretary

BOARD OF EDUCATION OF THE
BEECHWOOD INDEPENDENT SCHOOL
DISTRICT

By: _____
Chairman

Attest:

Secretary

APPENDIX D

**Beechwood Independent School District Finance Corporation
School Building Revenue Bonds,
Series of 2025**

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE¹

\$6,225,000*

BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2025

Dated the date of delivery

SALE: Wednesday, December 3, 2025, at 1:00 P.M., E. T.

The Secretary of the Beechwood Independent School District Finance Corporation (the “Corporation”) will until December 3, 2025, at the hour of 1:00 P.M., E.T., at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 200 Mero Street, Frankfort, Kentucky 40622, 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.

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

The Bonds are authorized under 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 special and 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 provide funds to finance the costs of the acquisition, construction, installation and equipping of improvements and renovations at 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 under a Contract, Lease, and Option (the “Lease”) on a year-to-year basis; the first rental period ending June 30, 2026. 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, 2026, 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,

¹ Please note that due to various economic factors, the terms of the Official Terms and Conditions of Bond Sale is preliminary and subject to change prior to and during the sale of the Bonds.

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 lien and pledges of revenue, 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, REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds shall be in denominations in multiples of \$5,000 within the same maturity, bear interest from their date of initial issuance and delivery, payable on June 1, 2026, and semiannually on June 1 and December 1 thereafter (or on such semi-annual dates as are determined by the President or the Secretary of the Corporation after the sale of the Bonds) and shall mature as to principal on December 1 in each of the years as follows (or on such annual date in the years and in the principal amounts as determined by the President or the Secretary of the Corporation after the sale of the Bonds):

<u>Maturity Date</u>	<u>Principal Amount*</u>	<u>Maturity Date</u>	<u>Principal Amount*</u>
December 1, 2026	\$175,000	December 1, 2035	\$230,000
December 1, 2027	180,000	December 1, 2036	240,000
December 1, 2028	185,000	December 1, 2037	250,000
December 1, 2029	190,000	December 1, 2038	265,000
December 1, 2030	195,000	December 1, 2039	270,000
December 1, 2031	200,000	December 1, 2040	280,000
December 1, 2032	205,000	December 1, 2041	295,000
December 1, 2033	215,000	December 1, 2042	1,285,000
December 1, 2034	225,000	December 1, 2043	1,340,000

The Bonds maturing on or after December 1, 2034, are subject to redemption before their stated maturities on any date falling on or after December 1, 2033, 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 before 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 before 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

* Subject to Permitted Adjustment.

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 before 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 Trust Company, 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, 147 East Third Street, Lexington, Kentucky 40508, 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) Bidders are required to bid for the entire issue of Bonds at a minimum price of not less than \$6,100,500* (98% of par), PAYABLE IN IMMEDIATELY AVAILABLE FUNDS.

(C) Interest rates for the Bonds must be in multiples of one eighth of one percent (0.125%) and/or one one-hundredth of one percent (0.010%), 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.

(D) The determination of the best purchase bid for the Bonds shall be made on the basis of all bids submitted for exactly \$6,225,000 principal amount of Bonds offered for sale under the terms and conditions herein specified. The Corporation will accept or reject such best bid, provided, however, the Corporation may adjust the principal amount of Bonds which may be awarded to such best bidder upward or downward by \$625,000 (the "Permitted Adjustment") to a minimum of \$5,600,000 or a maximum of \$6,850,000. In the event of any 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 \$6,225,000 of Bonds bid.

The Corporation also has the right to adjust individual principal maturity amounts, even if the total amount of the Bonds does not change, in order to promote desired annual debt service levels. If the principal amount of any maturity of the Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant.

(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 under 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

* Subject to Permitted Adjustment.

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 December 3, 2025.

(v) Underwriter means (i) any person that agrees under 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 under 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 forty-five 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 December 1 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 under a Continuing Disclosure Certificate dated the date of initial issuance and delivery of the Bonds (the "Disclosure Certificate"), to be delivered on the date of delivery of the Bonds, to cause the following information to be provided:

(a) 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 [] 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 30;

(b) 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:

- (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 under its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (xv) 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; and
- (xvi) 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 .
- (xvii) The cure, in the manner provided under the Bond Resolution, of any payment or nonpayment related default under the Bond Resolution.

(c) to the MSRB, notice of a failure (of which the Obligated Persons or Disclosure Agent 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 Bonds, with certain enforcement rights upon 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 D, should be read in its entirety for more complete information regarding its contents.

For purposes of this transaction with respect to material events as defined under the Rule:

- (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 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"). Further, interest on the Bonds will not be treated as a specific item of tax preference in computing the federal alternative minimum tax imposed on individuals. 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" under Section 265 of the Code.

BEECHWOOD INDEPENDENT SCHOOL
DISTRICT FINANCE CORPORATION

By: _____
Secretary

APPENDIX E

**Beechwood Independent School District Finance Corporation
School Building Revenue Bonds,
Series of 2025**

Official Bid Form

OFFICIAL BID FORM

BEECHWOOD INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2025

Dated the date of delivery

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for \$ _____ of School Building Revenue Bonds, Series 2025 (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 \$ _____ principal amount of the Bonds, the total sum of \$ _____ (not less than \$ _____ plus accrued interest from the date of delivery, at the following annual rate(s), payable semiannually (rates on ascending scale, number of interest rates unlimited):

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 2026	\$ _____	_____ %	December 1, 2035	\$ _____	_____ %
December 1, 2027	\$ _____	_____ %	December 1, 2036	\$ _____	_____ %
December 1, 2028	\$ _____	_____ %	December 1, 2037	\$ _____	_____ %
December 1, 2029	\$ _____	_____ %	December 1, 2038	\$ _____	_____ %
December 1, 2030	\$ _____	_____ %	December 1, 2039	\$ _____	_____ %
December 1, 2031	\$ _____	_____ %	December 1, 2040	\$ _____	_____ %
December 1, 2032	\$ _____	_____ %	December 1, 2041	\$ _____	_____ %
December 1, 2033	\$ _____	_____ %	December 1, 2042	\$ _____	_____ %
December 1, 2034	\$ _____	_____ %	December 1, 2043	\$ _____	_____ %

We understand this bid may be accepted for as much as \$ _____ of the Bonds or any amount less than \$ _____, 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:

1. 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.

2. If less than three bids for the Bonds are received as a result of this competitive sale, the successful purchaser, by submitting a bid under 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.

3. 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 December 3, 2025.

(e) “Underwriter” means (i) any person that agrees under 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 under 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

By: _____
Signature

Net interest cost from December 23, 2025:

to final maturity \$ _____

Plus discount \$ _____

Net interest cost \$ _____

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:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 2026	\$_____	_____ %	December 1, 2035	\$_____	_____ %
December 1, 2027	\$_____	_____ %	December 1, 2036	\$_____	_____ %
December 1, 2028	\$_____	_____ %	December 1, 2037	\$_____	_____ %
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December 1, 2031	\$_____	_____ %	December 1, 2040	\$_____	_____ %
December 1, 2032	\$_____	_____ %	December 1, 2041	\$_____	_____ %
December 1, 2033	\$_____	_____ %	December 1, 2042	\$_____	_____ %
December 1, 2034	\$_____	_____ %	December 1, 2043	\$_____	_____ %

Dated: December 3, 2025

Secretary
Beechwood Independent School District
Finance Corporation