



Logan County School District

FINANCIAL STATEMENTS

June 30, 2025



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REPORT





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Independent Auditor's Report

Kentucky State Committee for School District Audits
Members of the Board of Education
Logan County School District
Russellville, 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 Logan County School District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 select pension/OPEB information on pages 5–18 and 78-100 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 relate 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 January 30, 2026, on our consideration of Logan County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Bowling Green, Kentucky
January 30, 2026



FINANCIAL STATEMENTS



Logan County School District

Russellville, Kentucky

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

This discussion and analysis of the Logan County School District (the District) is offered by management as a narrative overview of the financial activities of the District for the fiscal year ended June 30, 2025. Readers are encouraged to consider this information in conjunction with the District's financial statements, notes to financial statements, and additional information contained within the body of the audit.

FINANCIAL HIGHLIGHTS

- ◆ Total government-wide net position increased \$4,025,515. Governmental activities increased \$4,057,741 while business-type activities (food service) net position decreased \$32,226.
- ◆ Approximately \$17,022,579 were expended on facility acquisition and improvements during the year. Construction and renovations are performed consistent with the District's long-range facilities plan approved by the Kentucky Department of Education.
- ◆ In accordance with Board policy to maintain approximately three months of General Fund operating expenses as a minimum fund balance, \$5,500,000 of fund balance was committed to insure uninterrupted operations of the district. The Board also committed \$521,211 for accumulated sick leave and \$500,000 for future construction projects.
- ◆ The total fund balances of governmental funds decreased \$15,995,632, mainly due to construction expenditures. The General Fund balance decreased \$181,464. The governmental funds revenues increased \$1,988,965 for 2025: revenues from local sources increased \$680,523; revenues from state sources increased \$3,527,676; and revenues from federal sources decreased \$2,219,234. Total expenditures for governmental funds increased \$8,255,314 for 2025.
- ◆ The governmental financial statements reflect a total of \$9,891,658 of revenues and aid from the state for technology, debt service, and payments made by the state on-behalf of district employees for retirement contributions and health insurance. A like amount of expenses are also recorded in the financial statements. The proprietary fund (food service) statements include \$233,619 of on-behalf revenues and expenses.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three components — management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include government-wide financial statements and fund financial statements, which reflect different perspectives of the District's financial operations.

The government-wide financial statements consist of two statements: *Statement of Net Position* and *Statement of Activities*. These statements provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual funds of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements reflect how operations were financed in the short term as well as what remains for future spending. The proprietary funds statements show short-term and long-term financial information about the activity the District operates like a business (food service). Fiduciary funds statements provide information on financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include *Notes to Financial Statements* that provide more detailed and additional information that is essential to a full understanding of the data provided in the basic government-wide and fund financial statements. Following the statements is *Required Supplementary Information* that further supports the financial statements with a comparison of the District's budget for the year and schedules of pension proportionate liability and contributions.

The *Notes to Financial Statements* can be found on pages 36 through 77 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the District as a whole using the accrual basis of accounting similar to that which is used by private-sector businesses. The *Statement of Net Position* includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the *Statement of Activities*, regardless of when cash is received or disbursed.

The two government-wide statements report the District's net position — the difference between the District's total assets, deferred items, and total liabilities, and how they have changed. Increases or decreases in the net position over time may be an indicator of the District's financial position. One must consider, however, additional factors in assessing the overall financial position of the District such as Kentucky's funding from the state's general budget, the District's local tax base, educational programs and expenditures required by law regardless of funding, and other factors.

The District's activities are divided into two categories in the government-wide financial statements:

Governmental Activities — Most of the District's services are included here such as instruction, student and administrative support, operation and maintenance of facilities, and pupil transportation. Capital assets and long-term obligations are also included. Locally assessed taxes and intergovernmental revenues principally support these governmental activities.

Business-Type Activities — These activities are partially funded by charges for the goods and services provided. The District's food service is reported as a business-type activity. Food service is also partially funded by federal and state grants.

The most striking difference between the District and a private-sector company is the source of revenues. Unlike most private-sector businesses, the assets of the District exist to provide services to students and do not generate revenue. The major revenue sources include Kentucky's Seek Excellence in Education Funding (SEEK), the state's school funding formula appropriated from its biennial general budget, and locally assessed taxes. Current and future operations, including the payment of related debt on capital assets, are dependent upon these funding sources continuing at adequate levels.

Government-wide financial statements can be found on pages 19 through 22 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information regarding the District's accounting funds as opposed to the District as a whole, focusing on the District's major funds. A fund is a grouping of related accounts used to segregate sources of funding and spending on particular programs or activities. The District's funds are mandated by the state as part of a statewide uniform system of accounting for school districts to ensure compliance with finance and legal requirements. The District's major funds are the General Fund, the Special Revenue Fund and the Construction Fund. The District has three types of funds:

Governmental Funds – Most of the District's services and activities are included in governmental funds which focus on cash inflows and outflows and the balances remaining at year-end that are available for future spending. The modified accrual method of accounting is used to report these funds, which measures cash and financial assets that can be readily converted to cash. Therefore, the governmental funds statements provide a detailed short-term view to help indicate the financial resources available to finance the District's programs in the near future. Since the governmental funds statements do not encompass the additional long-term focus of the government-wide statements, a reconciliation of the differences is provided in the financial statements.



Proprietary Funds – The District’s proprietary fund is the food service fund. The proprietary fund statements are the same as the business-type activities in the government-wide statements, but provide more detail and additional information, such as cash flows.

Fiduciary Funds – The District is fiduciary for assets that belong to others and is responsible for ensuring that assets reported in the fiduciary funds are used only for their intended purposes. The District’s fiduciary funds consist of student activities funds and the scholarship fund. These funds are excluded from the government-wide financial statements because the assets cannot be used to finance the operations of the District.

The basic governmental fund financial statements can be found on pages 23 through 35 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. Some major changes in the government-wide net position are due to changes in pension liability charges of: deferred outflows decrease of \$658,879; deferred inflows decrease of \$1,678,358; and long-term liabilities decrease of \$564,388. Also, obligations of outstanding bonds decreased \$2,153,706 from scheduled payments and amortization. Restricted net position decreased \$15,814,006 due primarily to restrictions for construction under contracts.

Following is a summary of the District’s government-wide net position for the fiscal years ended June 30, 2024 and 2025:

Net Position for the Fiscal Years Ended June 30, 2024 and 2025

| | Governmental Activities | | Business-Type Activities | | District Total | |
|--|-------------------------|----------------------|--------------------------|------------------|----------------------|----------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Current and other assets | \$ 36,799,609 | \$ 19,959,455 | \$ 1,483,171 | \$ 977,042 | \$ 38,282,780 | \$ 20,936,497 |
| Capital assets | 63,609,950 | 80,427,795 | 441,585 | 704,421 | 64,051,535 | 81,132,216 |
| Total assets | 100,409,559 | 100,387,250 | 1,924,756 | 1,681,463 | 102,334,315 | 102,068,713 |
| Deferred outflows | 6,667,689 | 6,045,662 | 563,659 | 526,807 | 7,231,348 | 6,572,469 |
| Long-term obligations | 64,260,613 | 61,748,584 | 1,453,734 | 1,434,569 | 65,714,347 | 63,183,153 |
| Other liabilities | 5,530,873 | 4,800,547 | 11,579 | 1,461 | 5,542,452 | 4,802,008 |
| Total liabilities | 69,791,486 | 66,549,131 | 1,465,313 | 1,436,030 | 71,256,799 | 67,985,161 |
| Deferred inflows | 9,358,616 | 7,898,894 | 923,787 | 705,151 | 10,282,403 | 8,604,045 |
| Net position | | | | | | |
| Invested in capital assets, net of related debt | 30,954,706 | 37,353,949 | 441,585 | 704,421 | 31,396,291 | 38,058,370 |
| Restricted | 21,755,193 | 5,941,186 | - | - | 21,755,193 | 5,941,186 |
| Unrestricted | (24,782,753) | (11,310,248) | (342,270) | (637,332) | (25,125,023) | (11,947,580) |
| Total net position | \$ 27,927,146 | \$ 31,984,887 | \$ 99,315 | \$ 67,089 | \$ 28,026,461 | \$ 32,051,976 |



Changes in net position. The District's governmental activities net position increased by \$4,057,741 and business-type activities decreased \$32,226 for 2025. 2024 reflected an increase of \$3,410,275 for governmental activities and a decrease of \$172,574 for business-type activities.

The increase for 2025 from 2024 in the change in net position of governmental activities is largely due to an increase in local revenue. The Kentucky School Facilities Construction Commission (SFCC) makes direct payments of principal and interest on District bonds issued for construction of facilities. The bonds payable are included in the long-term obligations of the District and the payments are recorded as revenue from the state. The resultant increase in net position from the direct payment of principal by the SFCC was approximately \$362,869 for 2025 and \$365,543 for 2024. The increase in the change in business-type activities net position is largely due to indirect costs that were not charged in 2025.

Following is a summary schedule of changes in the District's net position for the years ended June 30, 2024 and 2025:

Changes in Net Position for the Fiscal Years Ended June 30, 2024 and 2025

| | Governmental Activities | | Business-Type Activities | | District Total | |
|---|-------------------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 5,200 | \$ 200 | \$ 91,450 | \$ 99,611 | \$ 96,650 | \$ 99,811 |
| Operating grants & contributions | 7,547,316 | 7,519,110 | 2,772,431 | 2,811,434 | 10,319,747 | 10,330,544 |
| Capital grants and contributions | 2,181,688 | 2,524,167 | | | 2,181,688 | 2,524,167 |
| General revenues | | | | | | |
| Locally assessed taxes | 10,677,038 | 11,267,920 | | | 10,677,038 | 11,267,920 |
| Investment earnings | 1,222,841 | 919,109 | 21,227 | 10,179 | 1,244,068 | 929,288 |
| State aid | 29,394,140 | 28,928,922 | | | 29,394,140 | 28,928,922 |
| Other revenue | 1,364,001 | 1,640,411 | 476 | 1,219 | 1,364,477 | 1,641,630 |
| Total revenues | 52,392,224 | 52,799,839 | 2,885,584 | 2,922,443 | 55,277,808 | 55,722,282 |
| Expenses | | | | | | |
| Instruction | 30,363,000 | 29,651,398 | | | 30,363,000 | 29,651,398 |
| Student and instructional staff support | 4,985,908 | 5,089,933 | | | 4,985,908 | 5,089,933 |
| School administration | 2,477,357 | 2,599,297 | | | 2,477,357 | 2,599,297 |
| District administration, business, and personnel support | 1,847,598 | 1,781,520 | | | 1,847,598 | 1,781,520 |
| Plant operation and maintenance | 4,926,490 | 5,086,198 | | | 4,926,490 | 5,086,198 |
| Student transportation | 2,301,744 | 2,239,578 | | | 2,301,744 | 2,239,578 |
| Interest on long-term debt | 1,581,744 | 1,828,788 | | | 1,581,744 | 1,828,788 |
| Food service | | | 3,058,158 | 2,954,669 | 3,058,158 | 2,954,669 |
| Other | 498,108 | 465,386 | | | 498,108 | 465,386 |
| Total expenses | 48,981,949 | 48,742,098 | 3,058,158 | 2,954,669 | 52,040,107 | 51,696,767 |
| Increase (Decrease) in net position | \$ 3,410,275 | \$ 4,057,741 | \$ (172,574) | \$ (32,226) | \$ 3,237,701 | \$ 4,025,515 |

As can be seen on the preceding schedule of Changes in Net Position, there are significant variances between revenues and expenses from 2024 to 2025, mostly due to changes in amounts recorded for on-behalf payments and pension liability adjustments. Total District revenues increased \$444,474 and total District expenses decreased \$343,340. Locally generated revenues accounted for 23% of total governmental revenues for 2025 and 22% 2024. General revenue state aid was 55% for 2025 and 56% for 2024, while operating grants and contributions accounted for 14% for 2025 and 2024.

Direct instruction expenses were 61% of total governmental expenses for 2025 and 62% for 2024, with student support, staff support and school administration making up another 16% in 2025 and 15% in 2024. Operation and maintenance of facilities was 10% for 2025 2024, while pupil transportation was 5% for 2025 and 2024.

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

As noted previously, the General Fund, the Special Revenue Fund and the Construction Fund are the District's major funds. The Other Governmental Funds reflected in the financial statements consist of: the SEEK Fund, also known as the Capital Outlay Fund; the FSPK Fund, also known as the Building Fund; the District Activity Fund; the Student Activity Fund; and the Debt Service Fund.

The District's proprietary fund is the food service operation funded by sales and operating grants, mainly federal grants for student meal reimbursement. Being a fiduciary fund, the Scholarship Fund's resources can only be used to fund continuing education scholarships for District graduates and is funded totally by contributions and investment earnings.

The main sources of the General Fund's revenues are state aid in the form of SEEK allocations and locally assessed taxes. The majority of the Districts activities are accounted for in the General Fund. The Special Revenue Fund consists of grant revenues, mostly state funds and federal funds administered through the state, and expenditures of those grants for specific programs in accordance with the grants' guidelines.

The SEEK Capital Outlay Fund's revenues are derived from state SEEK allocations based upon student enrollment. The FSPK Building Fund's revenues are produced by two five-cent special property tax assessments and matching state funds. The use of both funds resources is generally restricted to facilities acquisition or improvement and payment of the related debt on facilities. For the state's current two year budget cycle, however, funds available after debt service may be transferred into the General Fund for operating expenses, within certain limitations. The Construction Fund is used to account for facility construction and improvement projects funded by other funds or borrowing. The District Activity Fund and Student Activity Fund are used to account for monies generated by/for/from students held for student groups or for specified purposes.



The Debt Service Fund is used to account for all activities related to long-term bond obligations. Revenues are transfers from other funds, mainly the SEEK Capital Outlay Fund and FSPK Building Fund, and state aid from Kentucky's SFCC. The revenues are used to make payments on the long-term obligations and related expenditures.

Following is a summary of total fund balances for the fiscal years ended June 30, 2024 and 2025:

Total Governmental Funds Balances as of June 30, 2024 and 2025

| | FYE 2024 | FYE 2025 | Increase (Decrease) |
|---|----------------------|----------------------|--------------------------------|
| Governmental Funds | | | |
| General Fund | \$ 9,545,414 | \$ 9,363,950 | \$ (181,464) |
| Special Revenue Fund | 653,558 | 541,683 | (111,875) |
| Other governmental funds | | | |
| SEEK Capital Outlay Fund | - | - | - |
| FSPK Building Fund | 3,746 | 3,779 | 33 |
| Construction Fund | 20,439,905 | 4,734,388 | (15,705,517) |
| District Activity Fund | 19,598 | 19,436 | (162) |
| Student Activity Fund | 642,319 | 653,188 | 10,869 |
| Debt Service Fund | 15,665 | 8,149 | (7,516) |
| Total governmental funds | \$ 31,320,205 | \$ 15,324,573 | \$ (15,995,632) |
| Proprietary Fund (Food Service Fund) | \$ 99,315 | \$ 67,089 | \$ (32,226) |
| Fiduciary Funds (Scholarship Fund) | \$ 1,085,629 | \$ 1,072,457 | \$ (13,172) |

The decrease in the Food Service Fund balance is due to increased costs of food and other supplies. Activity Funds will fluctuate dependent upon student activities for any given year.

The Debt Service Fund is a required conduit for payment of long-term obligations and consequently the balance changes with funds transferred for payment of bond principal and interest. The Construction Fund's balance increased due to bond proceeds for construction projects. The balances of the SEEK Capital Outlay Fund and FSPK Building Fund are generally restricted for use on facilities construction projects as required for participation of the SFCC in funding future debt service for those projects, but excess funds may be transferred into the General Fund under the state's current budget guidelines

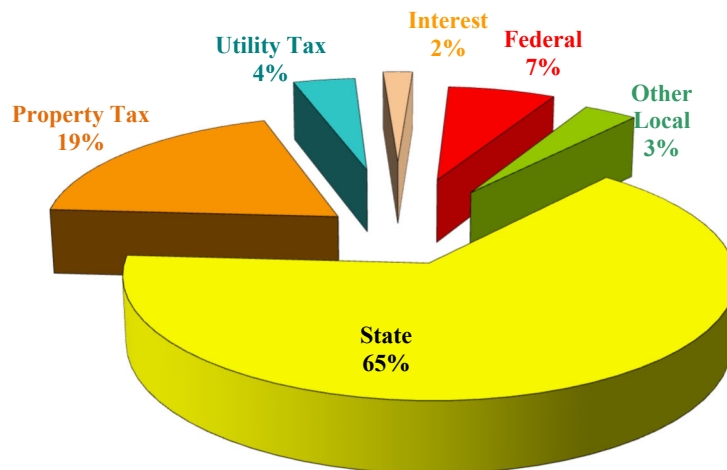
The Special Revenue Fund's balance will inherently fluctuate annually. Grants are obtained for specified purposes and the balance of the fund will change dependent upon when the grant funds are received and disbursed.

Total governmental funds' balances decreased \$15,995,632 mainly due to payments for construction. Total transfers from other funds into the General Fund totaled \$759,604 for 2025 compared to \$1,450,578 for 2024. Transfers from the General Fund to other funds totaled \$398,068 for 2025 compared to \$385,532 for 2024.

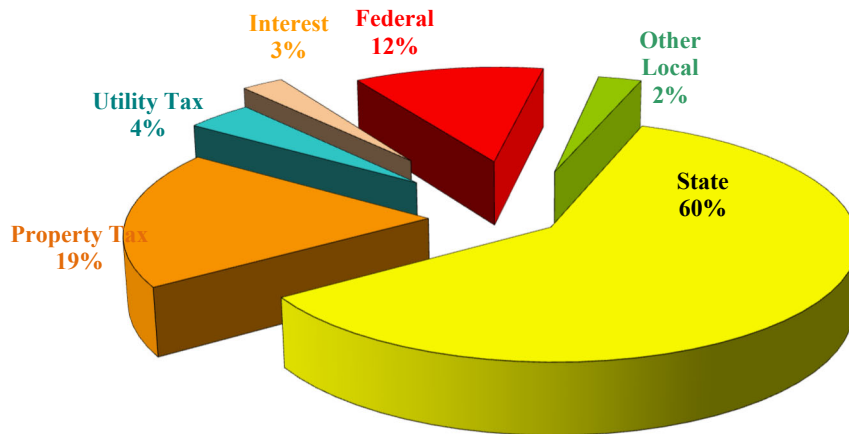
The relationship of Total Governmental Funds revenue and expenditure types remained relatively static in relation to total revenue and expenditures.

The following graphs indicate the relationship of types of revenues to total revenues of Total Governmental Funds for the fiscal years ended June 30, 2025 and 2024:

Total Governmental Funds Revenues for the Fiscal Year Ended June 30, 2025



Total Governmental Funds Revenues for the Fiscal Year Ended June 30, 2024

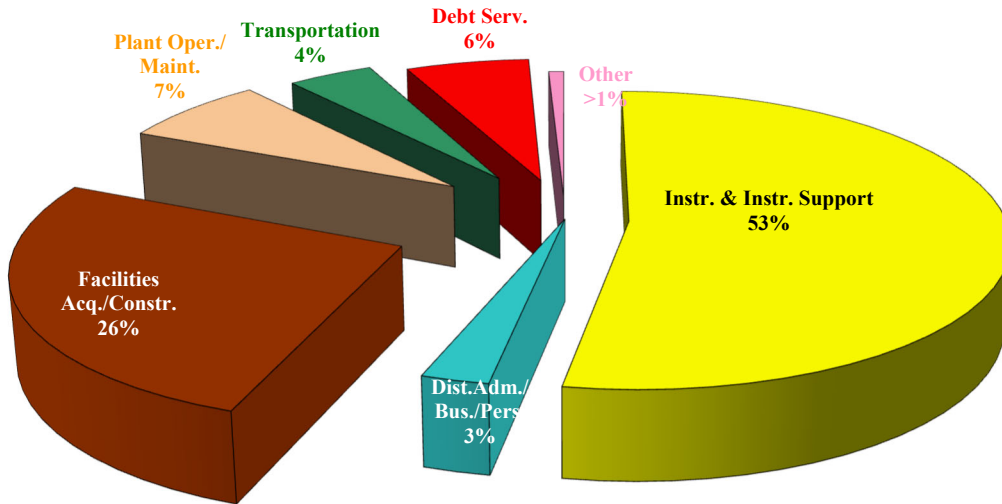


The District continues to find economies in operations wherever possible. With state funding remaining at reduced levels, the District must use local revenue to fill funding gaps, but is limited by law in the amount local funding can be increased. The District is increasing instructional expenditures to remediate any gaps caused by the pandemic, mostly through additional personnel funded by special federal funds. A reduction in some instructional expenditures will be required as the one-time special federal funding is exhausted.

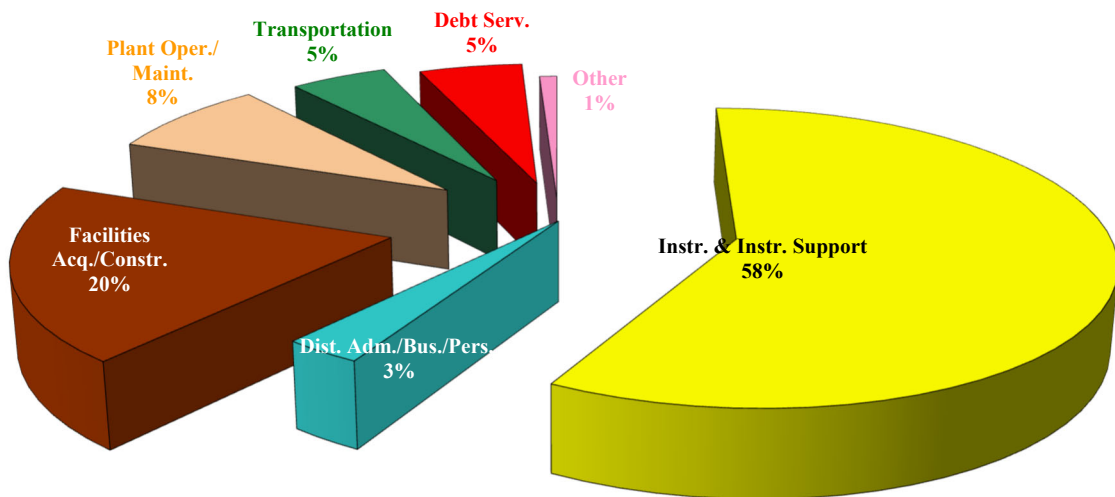
Transportation, both regular and special education transportation, continues to be under-funded by the state, even as costs rise. Plant operation and maintenance expenditures remain mostly steady as the District maintains facilities at a level to defer any deterioration, but eventually more costly renovations will be required due to the age of the facilities.

Following are graphs indicating the relationship of types of expenditures to total expenditures of Total Governmental Funds for the fiscal years ended June 30, 2025 and 2024:

Total Governmental Funds Expenditures for the Fiscal Year Ended June 30, 2025



Total Governmental Funds Expenditures for the Fiscal Year Ended June 30, 2024



GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with directives from the Kentucky Department of Education (KDE) and Kentucky law, the District's funds 2025 budgets were prepared to account for most transactions on a cash receipt/cash disbursement/encumbrance basis. KDE requires a budget in which any remaining unassigned fund balance is shown as a contingency expense. Over the course of the year, the District revises the annual operating budget as circumstances dictate or as required by KDE. The major changes from the original General Fund budget to the final budget resulted from changes in SEEK funding estimates, federal funding estimates and budgeted transfers.

The *Budgetary Comparison Schedule for the General Fund* contained in the *Required Supplemental Information*, includes \$9,528,789 of state payments on-behalf of District employees for retirement and health benefits and state provided technology in the General Fund budget, a increase of \$404,371 from 2024. These payments are reflected as state program revenues and in each type of expenditure in relation to wages paid, with the major portion contained in instructional expenditures.

Variances result from the cost of normal operations differing from estimates. Contingency funds will always reflect a favorable variance as it is not an expenditure category.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At June 30, 2025, the District had \$81,132,216 invested in capital assets net of depreciation: historical cost totaled \$126,223,296 with accumulated depreciation totaling \$45,091,080. These assets include school, athletic, and support facilities, as well as technology, food service, and other equipment. \$17,022,579 was expended on facility acquisition and improvements during the year. Depreciation charged to expense during the year totaled \$2,599,653 the majority of which was charged to governmental functions. More detailed information relating to capital assets may be found in Note 5 of the *Notes to Financial Statements*.



Following is a summary of capital assets, net of depreciation, for the fiscal years ended June 30, 2024 and 2025:

Net Capital Assets for the Fiscal Years Ended June 30, 2024 and 2025

| | Governmental Activities | | Business-Type Activities | | District Total | |
|-------------------------------|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Land | \$ 2,504,336 | \$ 2,504,336 | | | \$ 2,504,336 | \$ 2,504,336 |
| Land Improvements | 1,291,254 | 1,179,283 | | | 1,291,254 | 1,179,283 |
| Building and Improvements | 42,729,287 | 41,685,157 | \$ 259,865 | \$ 244,011 | 42,989,152 | 41,929,168 |
| Construction in Progress | 12,310,087 | 29,332,667 | | | 12,310,087 | 29,332,667 |
| Technology Equipment | 829,693 | 681,309 | 2,156 | 1,666 | 831,849 | 682,975 |
| Vehicles | 2,082,454 | 2,431,333 | | | 2,082,454 | 2,431,333 |
| Other equipment and furniture | 1,862,839 | 2,613,710 | 179,564 | 458,744 | 2,042,403 | 3,072,454 |
| | \$ 63,609,950 | \$ 80,427,795 | \$ 441,585 | \$ 704,421 | \$ 64,051,535 | \$ 81,132,216 |

Long-Term Debt. The District's long-term general obligation bonds outstanding at June 30, 2025 were \$46,809,000, a net decrease of \$2,087,000. Of that amount, the Kentucky SFCC has agreed to make a portion of the principal and interest repayment under agreements previously described. Though the District is liable for the full amount of the bonds and the full amount is recorded on the financial statements, the SFCC has agreed to repay \$3,384,914 of the bonds leaving the District to pay \$43,424,086. The liability for compensated absences increased \$164,217 to a balance of \$1,299,277 at June 30, 2025 due to employee retirements and accruals. Other long-term obligations, mostly leases on equipment, will increase with the commitment of new leases and decrease as the leases are paid down.

The District's general obligation bonds are rated Aa3. The amount of total general obligation bonds that the District may issue is dependent upon the amount of resources in the SEEK Capital Outlay and FSPK Building Funds available for debt service. The state must approve the issuance of any new bonds of the District.

More detailed information about the District's long-term liabilities may be found in Note 6 of the *Notes to Financial Statements*.

OUTLOOK FOR THE FUTURE

The most crucial aspect in the financial future of the District is continued adequate funding from the state. The District's major source of revenue is state aid, primarily Kentucky SEEK funding. The calculated SEEK amount due to the District has not been fully funded by the state in some preceding years.

The District has worked diligently on a long-term plan to accumulate funds for additional instructional programs, future construction, and an adequate operating reserve. The future construction is needed to provide and maintain facilities at their proper level. Additional instructional programs have proved useful in guiding the district towards student proficiency as mandated and measured by the state. These are multi-year commitments that the District must be assured of being able to fulfill before undertaking. While the District is on a sound financial foundation for the present time and near future, the long-range plans of the District, and the work that has gone into them to date, could be jeopardized without adequate funding from the state or continued unfunded mandates.

With state limitations on the amount local taxes may be increased and a corresponding base percentage decrease to state SEEK funding for assessment growth, the District is unable to generate significant additional funds from local assessments. The District will continue to operate conservatively to assure the availability of adequate resources while making every effort to maintain all facilities at their best operating level and providing innovative instructional services and opportunities to the students of Logan County.

In Kentucky, public schools' fiscal year is July 1 through June 30. Some programs, such as most federal grants, operate on a different fiscal year but are reflected in the District's overall budget. By law, the District's budget must have a minimum 2% budgeted contingency. The District has adopted a 2025-2026 fiscal year budget with a 7% budgeted contingency, but with funds committed for a minimum fund balance of approximately three months of operating expense. Significant actions that impact the District's 2025-2026 finances include possible decreased state funding or new unfunded mandates, additional spending for facility maintenance outside of bonded building and renovation projects, continued funding of initiatives such as additional instructional programs and all-day kindergarten.

The 2025-2026 fiscal year is the second year of this biennium state budget cycle. In some past years, funding from the state was cut during the year due to the state's inability to fund the full amount of the biennium budget, and therefore the projected SEEK funding. The state's ability to fully fund the current biennium budget has not been determined.



CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and other stakeholders with a general overview of the Logan County School District's accountability for the money it receives. Any questions about this report or requests for additional information should be directed to Dr. Dan Costellow, Superintendent, or Karla D. Paddock, CPA, Chief Finance Officer, at Logan County School District, 2222 Bowling Green Road, P.O. Box 417, Russellville, KY 42276, or by calling (270) 726-2436.

**Logan County School District
Statement of Net Position**

| <i>June 30, 2025</i> | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|--------------------|
| Assets | | | |
| Cash | \$ 18,251,463 | \$ 852,979 | \$ 19,104,442 |
| Accounts receivable: | | | |
| Taxes | 550,489 | - | 550,489 |
| Accounts | 35,361 | - | 35,361 |
| Intergovernmental | 682,430 | 25,610 | 708,040 |
| Inventory | - | 57,849 | 57,849 |
| Prepaid expenditures | 208,351 | - | 208,351 |
| Non-depreciable capital assets | 31,837,003 | - | 31,837,003 |
| Depreciable capital assets | 92,148,337 | 2,237,956 | 94,386,293 |
| Less: accumulated depreciation | (43,557,545) | (1,533,535) | (45,091,080) |
| Net OPEB asset | 231,361 | 40,604 | 271,965 |
| Total assets | 100,387,250 | 1,681,463 | 102,068,713 |
| Deferred Outflows of Resources | | | |
| Deferred loss on debt refundings | 13,288 | - | 13,288 |
| OPEB related | 3,731,186 | 122,927 | 3,854,113 |
| Pension related | 2,301,188 | 403,880 | 2,705,068 |
| Total deferred outflows of resources | 6,045,662 | 526,807 | 6,572,469 |
| Liabilities | | | |
| Accounts payable | 4,005,035 | 1,461 | 4,006,496 |
| Accrued liabilities | 22,600 | - | 22,600 |
| Unearned revenue | 167,535 | - | 167,535 |
| Accrued interest | 605,377 | - | 605,377 |
| Long-term obligations: | | | |
| Due within one year: | | | |
| Outstanding bonds | 2,163,000 | - | 2,163,000 |
| Other | 46,195 | - | 46,195 |
| Compensated absences | 708,133 | 17,984 | 726,117 |
| Due beyond one year: | | | |
| Outstanding bonds | 45,478,995 | - | 45,478,995 |
| Other | 95,836 | - | 95,836 |
| Compensated absences | 591,144 | 13,919 | 605,063 |
| Net OPEB liability | 4,673,000 | - | 4,673,000 |
| Net pension liability | 7,992,281 | 1,402,666 | 9,394,947 |
| Total liabilities | 66,549,131 | 1,436,030 | 67,985,161 |

(Continued)

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

**Logan County School District
Statement of Net Position (Continued)**

| <i>June 30, 2025</i> | Governmental Activities | Business-type Activities | Total |
|--|------------------------------------|-------------------------------------|----------------------|
| Deferred Inflows of Resources | | | |
| OPEB related | 6,359,915 | 435,056 | 6,794,971 |
| Pension related | 1,538,979 | 270,095 | 1,809,074 |
| Total deferred inflows of resources | 7,898,894 | 705,151 | 8,604,045 |
| Net Position | | | |
| Net investment in capital assets | 37,353,949 | 704,421 | 38,058,370 |
| Restricted for: | | | |
| Capital projects | 4,738,167 | - | 4,738,167 |
| Grant programs | 541,683 | - | 541,683 |
| Student activities | 653,187 | - | 653,187 |
| Debt service | 8,149 | - | 8,149 |
| Unrestricted (deficit) | (11,310,248) | (637,332) | (11,947,580) |
| Total net position | \$ 31,984,887 | \$ 67,089 | \$ 32,051,976 |

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

**Logan County School District
Statement of Activities**

| Year ended June 30, 2025 | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|----------------------|----------------------|--|--|--|-----------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities | | | | | | | |
| Instruction | \$ 29,651,398 | \$ - | \$ 5,748,685 | \$ 62,148 | \$ (23,840,565) | \$ - | \$ (23,840,565) |
| Support Services: | | | | | | | |
| Student | 2,384,757 | - | 444,286 | - | (1,940,471) | - | (1,940,471) |
| Instructional staff | 2,705,176 | - | 676,493 | - | (2,028,683) | - | (2,028,683) |
| District administration | 868,473 | - | - | - | (868,473) | - | (868,473) |
| School administration | 2,599,297 | - | - | - | (2,599,297) | - | (2,599,297) |
| Business | 913,047 | - | 29,145 | - | (883,902) | - | (883,902) |
| Plant operations and maintenance | 5,086,198 | 200 | 106,324 | - | (4,979,674) | - | (4,979,674) |
| Student transportation | 2,239,578 | - | 129,274 | - | (2,110,304) | - | (2,110,304) |
| Other | 463,386 | - | 384,903 | - | (78,483) | - | (78,483) |
| Land improvements | 2,000 | - | - | - | (2,000) | - | (2,000) |
| Interest on long-term debt | 1,828,788 | - | - | 2,462,019 | 633,231 | - | 633,231 |
| Total governmental activities | 48,742,098 | 200 | 7,519,110 | 2,524,167 | (38,698,621) | - | (38,698,621) |
| Business-type Activities | | | | | | | |
| Food services | 2,954,669 | 99,611 | 2,811,434 | - | - | (43,624) | (43,624) |
| Total business-type activities | 2,954,669 | 99,611 | 2,811,434 | - | - | (43,624) | (43,624) |
| Total school district | \$ 51,696,767 | \$ 99,811 | \$ 10,330,544 | \$ 2,524,167 | (38,698,621) | (43,624) | (38,742,245) |

(Continued)

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

**Logan County School District
Statement of Activities (Continued)**

| | Net (Expense) Revenue and Changes in Net Position | | |
|--------------------------------------|--|-------------------------------------|---------------|
| <i>Year ended June 30, 2025</i> | Governmental Activities | Business-type Activities | Total |
| General Revenues | | | |
| Taxes: | | | |
| Property | 7,466,583 | - | 7,466,583 |
| Motor vehicle | 1,199,572 | - | 1,199,572 |
| Utilities | 1,929,023 | - | 1,929,023 |
| Other | 672,742 | - | 672,742 |
| State aid | 28,928,922 | - | 28,928,922 |
| Investment earnings | 919,109 | 10,179 | 929,288 |
| Other | 1,640,411 | 1,219 | 1,641,630 |
| Total general revenues and transfers | 42,756,362 | 11,398 | 42,767,760 |
| Change in net position | 4,057,741 | (32,226) | 4,025,515 |
| Net position - beginning of year | 27,927,146 | 99,315 | 28,026,461 |
| Net position - end of year | \$ 31,984,887 | \$ 67,089 | \$ 32,051,976 |

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

**Logan County School District
Balance Sheet
Governmental Funds**

| <i>June 30, 2025</i> | General Fund | Special Revenue Fund | Construction Fund | Other Governmental Funds | Total Governmental Funds |
|----------------------|---------------------|---------------------------------|------------------------------|---|---|
| Assets | | | | | |
| Cash | \$ 9,230,963 | \$ 703,787 | 7,674,107 | \$ 642,606 | \$ 18,251,463 |
| Accounts receivable: | | | | | |
| Taxes | 550,489 | - | - | - | 550,489 |
| Accounts | 34,756 | - | - | 605 | 35,361 |
| Intergovernmental | - | 682,430 | - | - | 682,430 |
| Due from other funds | - | - | | 98,774 | 98,774 |
| Total assets | \$ 9,816,208 | \$ 1,386,217 | \$ 7,674,107 | \$ 741,985 | \$ 19,618,517 |

(Continued)

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

**Logan County School District
Balance Sheet
Governmental Funds (Continued)**

| <i>June 30, 2025</i> | General Fund | Special Revenue Fund | Construction Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------------------|------------------------------|---|---|
| Liabilities and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 330,884 | \$ 676,999 | \$ 2,939,719 | \$ 57,433 | \$ 4,005,035 |
| Accrued liabilities | 22,600 | - | - | - | 22,600 |
| Due to other funds | 98,774 | - | - | - | 98,774 |
| Unearned revenue | - | 167,535 | - | - | 167,535 |
| Total liabilities | 452,258 | 844,534 | 2,939,719 | 57,433 | 4,293,944 |
| Fund Balances | | | | | |
| Restricted | - | 541,683 | 4,734,388 | 665,116 | 5,941,187 |
| Committed | 6,521,211 | - | - | - | 6,521,211 |
| Assigned | - | - | - | 19,436 | 19,436 |
| Unassigned | 2,842,739 | - | - | - | 2,842,739 |
| Total fund balances | 9,363,950 | 541,683 | 4,734,388 | 684,552 | 15,324,573 |
| Total liabilities and fund balances | \$ 9,816,208 | \$ 1,386,217 | \$ 7,674,107 | \$ 741,985 | \$ 19,618,517 |

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

Logan County School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

| <i>June 30,</i> | 2025 |
|---|---------------|
| Total fund balances - governmental funds | \$ 15,324,573 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$123,985,340, and the accumulated depreciation is \$43,557,545. | 80,427,795 |
| Governmental funds record losses on debt refundings as other financing uses when the issues are refunded. Unamortized losses on refundings are included on the government-wide financial statements as a deferred outflow. | 13,288 |
| Special revenue funds record expenditures when paid. Prepaid items are included on the government-wide financial statements as a prepaid expenditures. | 208,351 |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods, therefore, are not reported in the fund statements. | 762,209 |
| Deferred outflows and inflows of resources related to OPEB are applicable to future periods, therefore, are not reported in the fund statements. | (2,628,729) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of: | |
| Bonds payable | (47,641,995) |
| Accrued interest on the outstanding bonds | (605,377) |
| Other debt | (142,031) |
| Net OPEB asset | 231,361 |
| Net OPEB liability | (4,673,000) |
| Net pension liability | (7,992,281) |
| Compensated absences | (1,299,277) |
| Total net position - governmental activities | \$ 31,984,887 |

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

Logan County School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

| <i>Year ended June 30, 2025</i> | General Fund | Special Revenue Fund | Construction Fund | Other Governmental Funds | Total Governmental Funds |
|----------------------------------|-------------------------|---------------------------------|------------------------------|---|---|
| Revenues | | | | | |
| From local sources | | | | | |
| Taxes: | | | | | |
| Property | \$ 5,546,837 | \$ - | \$ - | \$ 1,919,746 | \$ 7,466,583 |
| Motor vehicle | 1,199,572 | - | - | - | 1,199,572 |
| Utilities | 1,929,023 | - | - | - | 1,929,023 |
| Other | 672,742 | - | - | - | 672,742 |
| Earnings on investments | 158,853 | 3,482 | 759,116 | 1,140 | 922,591 |
| Other local revenue | 587,118 | 75,991 | - | 981,063 | 1,644,172 |
| Intergovernmental - state | 25,059,646 | 4,236,705 | - | 2,462,019 | 31,758,370 |
| Direct federal | 63,219 | 78,859 | - | - | 142,078 |
| Intergovernmental - federal | - | 3,186,221 | - | - | 3,186,221 |
| Total revenues | 35,217,010 | 7,581,258 | 759,116 | 5,363,968 | 48,921,352 |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction | 20,799,031 | 5,430,626 | - | 872,837 | 27,102,494 |
| Support services: | | | | | |
| Student | 1,687,483 | 444,286 | - | - | 2,131,769 |
| Instructional staff | 1,821,129 | 676,493 | - | 41,022 | 2,538,644 |
| District administration | 825,555 | - | - | - | 825,555 |
| School administration | 2,523,045 | - | - | - | 2,523,045 |
| Business | 836,140 | 29,145 | - | - | 865,285 |
| Plant operations and maintenance | 4,627,270 | 106,324 | - | 4,414 | 4,738,008 |
| Student transportation | 2,564,106 | 129,274 | - | 53,190 | 2,746,570 |

(Continued)

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

Logan County School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (Continued)

| <i>Year Ended June 30, 2025</i> | General Fund | Special Revenue Fund | Construction Fund | Other Governmental Funds | Total Governmental Funds |
|--|-------------------------|---------------------------------|------------------------------|---|---|
| Other | 88,227 | 384,903 | - | - | 473,130 |
| Land improvement | - | - | - | 2,000 | 2,000 |
| Building acquisition & construction | - | - | 17,022,579 | - | 17,022,579 |
| Debt service: | | | | | |
| Principal | - | - | - | 2,087,000 | 2,087,000 |
| Interest | - | - | - | 1,872,881 | 1,872,881 |
| Total expenditures | 35,771,986 | 7,201,051 | 17,022,579 | 4,933,344 | 64,928,960 |
| Excess (deficiency) of revenues over expenditures | (554,976) | 380,207 | (16,263,463) | 430,624 | (16,007,608) |
| Other Financing Sources (Uses) | | | | | |
| Other debt proceeds | - | - | - | - | - |
| Proceeds from sale of assets | 11,976 | - | - | - | 11,976 |
| Operating transfers in | 759,604 | 62,148 | 557,946 | 3,597,273 | 4,976,971 |
| Operating transfers out | (398,068) | (554,230) | - | (4,024,673) | (4,976,971) |
| Total other financing sources (uses) | 373,512 | (492,082) | 557,946 | (427,400) | 11,976 |
| Net change in fund balances | (181,464) | (111,875) | (15,705,517) | 3,224 | (15,995,632) |
| Fund balances, beginning of year | 9,545,414 | 653,558 | 20,439,905 | 681,328 | 31,320,205 |
| Fund balances - end of year | \$ 9,363,950 | \$ 541,683 | \$ 4,734,388 | \$ 684,552 | \$ 15,324,573 |

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

**Logan County School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities**

| <i>Year ended June 30,</i> | 2025 |
|--|---------------------|
| Total net change in fund balances - governmental funds | \$ (15,995,632) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays, \$19,378,321 is less than depreciation expense, \$2,557,711, in the period. | 16,820,610 |
| Gains and losses are not presented in governmental funds because they do not provide or use current financial resources. However, they are presented on the statement of activities. The difference between proceeds from the sale of assets and the actual gain/loss from the sale net to this amount for the year. | 2,765 |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 2,087,000 |
| The issuance of a debt is shown as an other financing source in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The district issued \$57,660 and repaid (\$50,146) in debt in the current year. | 7,514 |
| Governmental funds report district pension contributions as expenditures. However, in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. | |
| District pension contributions | 886,510 |
| Cost of benefits earned net of employee contributions | (737,246) |
| Governmental funds report district OPEB contributions as expenditures. However, in the statements of activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense. | |
| District OPEB contributions | 449,756 |
| Cost of benefits earned net of employee contributions | 868,532 |
| Expenditures reported in the fund financial statements are recognized when the current financial resource is used. However, expenses in the statement of activities are recognized when they are incurred. | (332,068) |
| Change in net position - governmental activities | \$ 4,057,741 |

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

Logan County School District
Statement of Net Position
Proprietary Fund

| <i>June 30, 2025</i> | Enterprise Fund Food Service |
|---------------------------------------|---|
| Assets | |
| Current Assets | |
| Cash | \$ 852,979 |
| Accounts receivable | 25,610 |
| Inventory | 57,849 |
| <hr/> | |
| Total current assets | 936,438 |
| Non-Current Assets | |
| Net OPEB asset | 40,604 |
| Fixed assets - net | 704,421 |
| <hr/> | |
| Total assets | 1,681,463 |
| <hr/> | |
| Deferred Outflows of Resources | |
| OPEB related | 122,927 |
| Pension related | 403,880 |
| <hr/> | |
| Total deferred outflows of resources | 526,807 |
| <hr/> | |
| Liabilities | |
| Current Liabilities | |
| Accounts payable | 1,461 |
| Compensated absences | 17,984 |
| <hr/> | |
| Total current liabilities | 19,445 |
| <hr/> | |
| Long-Term Liabilities | |
| Compensated absences | 13,919 |
| Net pension liability | 1,402,666 |
| <hr/> | |
| Total long-term liabilities | 1,416,585 |
| <hr/> | |
| | (Continued) |

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

**Logan County School District
Statement of Net Position (Continued)
Proprietary Fund**

| <i>June 30, 2025</i> | Enterprise Fund Food Service |
|--------------------------------------|---|
| Deferred Inflows of Resources | |
| OPEB related | 435,056 |
| Pension related | 270,095 |
| <hr/> | |
| Total deferred inflows of resources | 705,151 |
| <hr/> | |
| Net Position | |
| Net investment in capital assets | 704,421 |
| Unrestricted (deficit) | (637,332) |
| <hr/> | |
| Total net position | \$ 67,089 |
| <hr/> <hr/> | |

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

Logan County School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund

| <i>June 30, 2025</i> | Enterprise Fund Food Service |
|--|---|
| <hr/> | |
| Operating Revenues | |
| Lunchroom sales | \$ 99,611 |
| <hr/> | |
| Total operating revenues | 99,611 |
| <hr/> | |
| Operating Expenses | |
| Salaries and wages | 1,113,084 |
| Contract services | 118,501 |
| Materials and supplies | 1,681,142 |
| Depreciation expense | 41,942 |
| <hr/> | |
| Total operating expenses | 2,954,669 |
| <hr/> | |
| Operating loss | (2,855,058) |
| <hr/> | |
| Non-Operating Revenues (Expenses) | |
| State grants | 256,024 |
| Federal grants | 2,379,288 |
| Donated commodities | 176,122 |
| Interest income | 10,179 |
| Contributions | 1,219 |
| <hr/> | |
| Total non-operating revenues (expenses) | 2,822,832 |
| <hr/> | |
| Loss before transfers | (32,226) |
| <hr/> | |
| Transfers | - |
| <hr/> | |
| Change in net position | (32,226) |
| <hr/> | |
| Net position - beginning of year | 99,315 |
| <hr/> | |
| Net position - end of year | \$ 67,089 |
| <hr/> | |

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

Logan County School District
Statement of Cash Flows
Proprietary Fund

| <i>Year Ended June 30, 2025</i> | Enterprise Fund Food Service |
|---|---|
| Operating Activities | |
| Cash received from user charges | \$ 92,539 |
| Cash payments to employees for services | (1,090,368) |
| Cash payments for contract services | (118,501) |
| Cash payments to suppliers for goods and services | (1,515,908) |
| <hr/> | |
| Net cash used in operating activities | (2,632,238) |
| <hr/> | |
| Noncapital Financing Activities | |
| Indirect cost transfer to general fund | - |
| Non-operating grants received | 2,402,912 |
| <hr/> | |
| Net cash provided by noncapital financing activities | 2,402,912 |
| <hr/> | |
| Capital and Related Financing Activities | |
| Acquisition of capital assets | (304,778) |
| <hr/> | |
| Net cash used in capital and related financing activities | (304,778) |
| <hr/> | |
| Investing Activities | |
| Interest on investments | 10,179 |
| <hr/> | |
| Net cash provided by investing activities | 10,179 |
| <hr/> | |
| Net increase in cash | (523,925) |
| Cash - beginning of year | 1,376,904 |
| <hr/> | |
| Cash - end of year | \$ 852,979 |
| <hr/> <hr/> | |

(Continued)

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

**Logan County School District
Statement of Cash Flows (Continued)
Proprietary Fund**

| <i>Year ended June 30, 2025</i> | Enterprise Fund Food Service |
|--|---|
| <hr/> | |
| Reconciliation of Operating Loss to Net Cash Used In Operating Activities | |
| Operating loss | \$ (2,855,058) |
| Adjustments to Reconcile Operating Loss To Net | |
| Cash Provided By (Used In) Operating Activities: | |
| Depreciation | 41,942 |
| Commodities used | 176,122 |
| On-behalf payments | 233,619 |
| Pension contributions in excess of pension expense | (87,785) |
| OPEB contributions in excess of OPEB expense | (125,751) |
| Changes in assets and liabilities: | |
| Receivables | (7,072) |
| Inventories | (770) |
| Accounts payable | (10,118) |
| Accrued benefits | 2,633 |
| <hr/> | |
| Net cash used in operating activities | \$ (2,632,238) |
| <hr/> | |

Noncash Activities

- The food service fund received \$176,122 of donated commodities from the federal government.
- The District received on-behalf payments of \$233,619 relating to fringe benefits from the state government.
- The District reclassified \$155,601 related to pension expense to deferred outflows of resources.
- The District reclassified \$0 related to OPEB expense to deferred outflows of resources.

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

**Logan County School District
Statement of Fiduciary Net Position
Fiduciary Funds**

| <i>June 30, 2025</i> | Private Purpose Trust Fund |
|--------------------------------|---------------------------------------|
| <hr/> | |
| Assets | |
| Cash | \$ 1,072,457 |
| <hr/> | |
| Total assets | \$ 1,072,457 |
| <hr/> <hr/> | |
| Net Position | |
| Held in trust for scholarships | \$ 1,072,457 |
| Net position | \$ 1,072,457 |
| <hr/> <hr/> | |

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

Logan County School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

| <i>Year ended June 30, 2025</i> | Private Purpose Trust Funds |
|----------------------------------|--|
| Additions | |
| Earnings on investments | \$ 11,828 |
| Other local revenue | 2,750 |
| | |
| Total additions | 14,578 |
| | |
| Deductions | |
| Scholarships | 27,750 |
| | |
| Total deductions | 27,750 |
| | |
| Change in net position | (13,172) |
| | |
| Net position - beginning of year | 1,085,629 |
| | |
| Net position - end of year | \$ 1,072,457 |
| | |

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

Logan County School District Notes to the Financial Statements

NOTE 1: DESCRIPTION OF THE ENTITY

Reporting Entity

The Logan County Board of Education (the "Board"), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Logan County School District (the "District"). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards* as 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 relevant to the operation of the Logan County School District. The financial statements presented herein do not include funds of groups and organizations which, although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc., except for those funds administered as custodial.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. The criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization and there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units.

Blended Component Unit

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements as a blended component unit:

Logan County School District Finance Corporation — The Logan County Board of Education resolved to authorize the establishment of the Logan County School District Finance Corporation (a nonprofit, nonstock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the Board for financing the costs of school building facilities. The Board members of the Logan County Board of Education also comprise the Corporation's Board of Directors.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Government-Wide Financial Statements — The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange

Logan County School District Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include 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, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements — Fund financial statements report detailed information about the District's funds, including fiduciary funds. Separate statements for each fund category — governmental, proprietary and fiduciary — are presented. The focus of governmental and proprietary 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 District has the following funds:

Governmental Fund Types

The *General Fund* is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unassigned fund balances are considered as resources available for use. The general fund is a major fund.

The *Special Revenue Fund* accounts for proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the schedule of expenditures of federal awards. The special revenue fund is a major fund.

The *Special Revenue District Activity Fund* is used to account for proceeds collected by the District's individual schools which are not raised by students or parents and are swept to the District's finance office. Funds can be spent on operating expenses as directed by the District's schools.

Logan County School District Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Governmental Fund Types (continued)

The *Special Revenue Student Activity Fund* is used to account for student activity funds of the District's individual schools. The student funds are maintained in accordance with the Uniform Program of Accounting for School Activity Funds, which is performed by the District.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

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 and certain operating costs.

The *Facility Support Program of Kentucky (FSPK) Fund* 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 are restricted for use in financing projects identified in the District's facility plan.

The *Construction Fund* accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The construction fund is a major fund.

The *Debt Service Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and other debt related costs.

Proprietary Fund Types

Enterprise Fund

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

Fiduciary Fund Types (includes custodial and private purpose trust funds)

Fiduciary funds account for assets held by the District in a trustee's capacity or in a custodial capacity for others that cannot be used to support the District's own programs. Trust funds account for assets held by the District under the terms of a formal trust agreement. Custodial funds are purely custodial and do not involve measurement of result of operations.

Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private purpose trust funds.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fiduciary Fund Types (continued)

Private Purpose Trust Funds

The *Private Purpose Trust Funds* are used to report trust arrangements under which principal and income benefit individuals.

Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary and fiduciary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This approach differs from the manner in which the government-wide financial statements are prepared. The 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. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balance. On this basis of accounting, revenues are recognized when they become measurable and available as assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The records of the District and the budgetary process are based on the modified accrual basis of accounting. This practice is the accounting method prescribed by the Committee for School District Audits. The District is required by state law to adopt annual budgets for the general fund, special revenue fund and capital projects funds.

Budgetary Information

Budget information is presented for the General Fund and other funds with a Board approved budget. This budgetary data is prepared on the modified accrual basis of accounting. Budgetary revenues represent original estimates modified for any adjustments approved by the Board during the fiscal year. Budgetary expenditures represent original appropriations adjusted for transfers and additional appropriations approved during the fiscal year. Once the budget is approved, it can be amended by approval of the Board.

**Logan County School District
Notes to the Financial Statements**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to compensated absences, pension liability, and OPEB liability.

Inventory

Supplies and materials are charged to expenditures when purchased (purchases method) with the exception of the proprietary funds, which record inventory at the lower of cost, determined by first-in first-out ("FIFO") method, or net realizable value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded a prepaid items.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$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 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:

| Description | Estimated Lives |
|----------------------------|------------------------|
| Buildings and improvements | 25-50 years |
| Land improvements | 20 years |
| Technology equipment | 5 years |
| Vehicles | 5-10 years |
| Audio-visual equipment | 15 years |
| Food service equipment | 10-12 years |
| Furniture and fixtures | 7 years |

Logan County School District Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Deferred Inflows and Outflows of Resources – Debt Related

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The deferred outflows of resources reported in this year's financial statements include the deferred amount arising from the refunding of bonds. The amount by which the reacquisition price of the refunding debt exceeds the carry amount of the refunded debt is being amortized over the remaining life of the refunding bonds as part of interest expense. No deferred outflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows and Outflows of Resources – Pension Related

The District's statement of net position and proprietary funds statements of net position report a separate section for deferred inflows and outflows of resources related to pension which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District's contributions made subsequent to the measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period. Deferred inflows of resources also include changes in the proportion and differences between employee contributions and the proportion share of contributions in the cost sharing plan. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. No deferred inflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows and Outflows of Resources – OPEB Related

The District's statement of net position and proprietary funds statements of net position report a separate section for deferred inflows and outflows of resources related to OPEB which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District's contributions made subsequent to the measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period. Deferred inflows of resources also include changes in the proportion and differences between employee contributions and the proportion share of contributions in the cost-sharing plan. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. No deferred inflows of resources affect the governmental funds financial statements in the current year.

Logan County School District Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS)/Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from CERS/KTRS fiduciary net position have been determined on the same basis as they are reported by CERS/KTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The District proportionate share of pension amounts were further allocated to each participating employer based on the salaries paid by each employer. Pension investments are reported at fair value. Note 9 provides further detail on the net pension liability.

Net Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Certified Employees Retirement System (CERS)/Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from CERS/KTRS fiduciary net position have been determined on the same basis as they are reported by CERS/KTRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. OPEB investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Note 10 provides further detail on the net OPEB liability.

Post-Employment Health Care Benefits

Retired District employees receive some health care benefits depending on their length of service. In accordance with Kentucky Revised Statutes, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS and the KTRS plans.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

Compensated Absences

The District uses the vesting method to compute compensated absences for sick leave. Sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits at termination. The District records a liability for accumulated unused sick leave when earned for all employees with more than five years of service.

The entire compensated absences liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the funds from which the employees will be paid.

Logan County School District Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities

All payables and accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Net Position

The District classifies its net position into the following three categories:

Net investment in capital assets - This represents the District's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Restricted - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

Logan County School District Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (continued)

Unrestricted - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Property Taxes

Property taxes collected are recorded as revenues in the fund for which they were levied. The assessment date of the property taxes is January 1 of each year. The levy is normally set during the September board meeting. Assuming property tax bills are timely mailed, the collection date is the period from September 15 through December 31. Collections from the period September 15 through November 1 receive a two percent discount. The due date is the period from November 2 through December 31 in which no discount is allowed. Property taxes received subsequent to December 31 are considered to be delinquent and subject to a lien being filed by the County Attorney.

Revenues — Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions are where each party receives equal value. On the modified accrual basis of accounting, 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 60 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. Assets from property taxes are normally recognized when an enforceable legal claim arises. However, for the District, an enforceable legal claim arises after the period for which taxes are levied. Property taxes receivable are recognized in the same period that the revenues are recognized. The property taxes are normally levied in September.

On the modified accrual basis of accounting, assets and revenues from property taxes are 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. Revenues from nonexchange transactions must also be available before they can be recognized.

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

Logan County School District Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity (continued)

reported as other financing sources/uses in governmental funds and as non-operating revenues/expenses in proprietary funds.

Interfund Balances

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

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.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Note 8 provides further detail on the District's encumbrances.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Subsequent Events

The District has evaluated subsequent events through the date that the financial statements were available to be issued January 30, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Issued and Adopted Accounting Pronouncements

GASB Statement No. 101, Compensated Absences, The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The implementation of this Statement was not significant to the District.

Logan County School District Notes to the Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Issued and Adopted Accounting Pronouncements (continued)

GASB Statement No. 102, Certain Risk Disclosures, the objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The implementation of this Statement was not significant to the District.

Recent Accounting Pronouncements

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

NOTE 3: CASH

Deposits

At June 30, 2025, the carrying amounts of the District's cash in deposits were \$20,176,899 and the bank balances were \$21,439,966, which were covered by federal depository insurance or by collateral held by the bank's agent in the District's name.

**Logan County School District
Notes to the Financial Statements**

NOTE 3: CASH (CONTINUED)

Deposits (continued)

The carrying amounts of deposits are reflected in the financial statements as follows:

| <i>June 30,</i> | <i>2025</i> |
|--------------------|---------------|
| Governmental funds | \$ 18,251,463 |
| Proprietary funds | 852,979 |
| Fiduciary funds | 1,072,457 |
| | \$ 20,176,899 |
| | |

Custodial Credit Risk Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. However, the District is required by state statute that bank deposits must be collateralized. The District’s bank balance of \$21,439,966 was not exposed to custodial credit risk as of June 30, 2025.

Credit Risk

Under Kentucky Revised Statutes Section 66.480, the District is authorized to invest in obligations of the United States and its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or of its agencies, obligations of any corporation of the United States government, certificates of deposit, commercial paper rated in one of the three highest categories by nationally recognized rating agencies and securities in mutual funds shall be eligible investments pursuant to this section. The District has no investment policy that would further limit its investment choices.

NOTE 4: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2025 consist of the following:

| <i>June 30, 2025</i> | | |
|------------------------|---------------------|---------------|
| Receivable Fund | Payable Fund | Amount |
| Student Activity Fund | General Fund | \$ 98,774 |

The amount represents interfund loans between the general fund and student activity fund that are done for the purpose of earning interest on cash balances in the student activity fund.

**Logan County School District
Notes to the Financial Statements**

NOTE 5: CAPITAL ASSETS

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

| <i>June 30, 2025</i> | Capital Cost | | | |
|---|----------------------|---------------|-----------------------------------|-------------------|
| | Beginning Balance | Additions | Retirements/ Reclassifications | Ending Balance |
| Governmental Activities | | | | |
| Capital assets that are not depreciated: | | | | |
| Land | \$ 2,504,336 | \$ - | \$ - | \$ 2,504,336 |
| Construction in progress | 12,310,087 | 17,022,580 | - | 29,332,667 |
| <hr/> | | | | |
| Total non-depreciable historical cost | 14,814,423 | 17,022,580 | - | 31,837,003 |
| <hr/> | | | | |
| Capital assets that are depreciated: | | | | |
| Land improvements | 2,953,466 | - | - | 2,953,466 |
| Buildings and improvements | 70,106,933 | 361,426 | - | 70,468,359 |
| Technology equipment | 4,607,479 | 76,358 | 207,325 | 4,476,512 |
| Vehicles | 6,733,782 | 756,452 | 548,602 | 6,941,632 |
| General | 6,205,175 | 1,161,505 | 58,312 | 7,308,368 |
| <hr/> | | | | |
| Total depreciable historical cost | 90,606,835 | 2,355,741 | 814,239 | 92,148,337 |
| <hr/> | | | | |
| Less accumulated depreciation for: | | | | |
| Land improvements | 1,662,212 | 111,971 | - | 1,774,183 |
| Buildings and improvements | 27,377,646 | 1,405,556 | - | 28,783,202 |
| Technology equipment | 3,777,786 | 221,977 | 204,560 | 3,795,203 |
| Vehicles | 4,651,328 | 407,573 | 548,602 | 4,510,299 |
| General | 4,342,336 | 410,634 | 58,312 | 4,694,658 |
| <hr/> | | | | |
| Total accumulated depreciation | 41,811,308 | 2,557,711 | 811,474 | 43,557,545 |
| <hr/> | | | | |
| Total depreciable historical cost, net | 48,795,527 | (201,970) | 2,765 | 48,590,792 |
| <hr/> | | | | |
| Governmental activities, capital assets, net | \$ 63,609,950 | \$ 16,820,610 | \$ 2,765 | \$ 80,427,795 |

(Continued)

**Logan County School District
Notes to the Financial Statements**

NOTE 5: CAPITAL ASSETS (CONTINUED)

| <i>June 30, 2025</i> | Capital Cost | | | Ending Balance |
|--|----------------------|-------------------|-----------------------------------|-------------------|
| | Beginning Balance | Additions | Retirements/ Reclassifications | |
| Business-type Activities | | | | |
| Capital assets that are depreciated: | | | | |
| Buildings and improvements | \$ 792,679 | \$ - | \$ - | \$ 792,679 |
| Technology equipment | 46,699 | - | 3,255 | 43,444 |
| General | 1,111,164 | 304,778 | 14,109 | 1,401,833 |
| Total depreciable historical cost | 1,950,542 | 304,778 | 17,364 | 2,237,956 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 532,814 | 15,854 | - | 548,668 |
| Technology equipment | 44,543 | 490 | 3,255 | 41,778 |
| General | 931,600 | 25,598 | 14,109 | 943,089 |
| Total accumulated depreciation | 1,508,957 | 41,942 | 17,364 | 1,533,535 |
| Business-type activities, capital assets, net | \$ 441,585 | \$ 262,836 | \$ - | \$ 704,421 |

Depreciation expense was charged to governmental functions as follows:

| <i>Year ended June 30,</i> | 2025 |
|-----------------------------------|---------------------|
| Instruction | \$ 1,548,125 |
| Support services | |
| Student | 8,238 |
| Instructional staff | 190 |
| District administration | 30,820 |
| School administration | 2,190 |
| Business | 608 |
| Facilities operations | 572,899 |
| Student transportation | 394,050 |
| Other | 591 |
| Total depreciation expense | \$ 2,557,711 |

Logan County School District Notes to the Financial Statements

NOTE 6: LONG-TERM OBLIGATIONS

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

| Issue Date | Proceeds | Rates |
|------------|-------------|--------------|
| 2012 | \$1,970,000 | 1.25%–2.125% |
| 2013 | 2,860,000 | 1.00%–2.625% |
| 2015 | 372,000 | 2.00%-4.00% |
| 2016 | 8,040,000 | 2.00%-4.00% |
| 2016 | 17,415,000 | 2.00%-3.00% |
| 2023 | 28,725,000 | 4.25%-5.00% |

On September 1, 2023, the District issued \$28,725,000 in Series of 2023 School Building Revenue Bonds with interest rates ranging from 4.25% to 5.00% for the Logan County High School construction project.

The District, through the General Fund, including utility taxes and the SEEK Capital Outlay Fund, is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Logan County 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.

The District has entered into "participation agreements" with the School Facility Construction Commission (SFCC). 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.

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2025 debt service (principal and interest) are as follows:

**Logan County School District
Notes to the Financial Statements**

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

| Year | Logan County School District | | School Facilities Construction Commission | | Total Debt Service |
|-----------|---------------------------------|----------------------|--|---------------------|-----------------------|
| | Interest | Principal | Interest | Principal | |
| 2025—2026 | \$ 1,693,573 | \$ 1,916,019 | \$ 114,958 | \$ 246,981 | \$ 3,971,531 |
| 2026—2027 | 1,608,264 | 2,016,727 | 106,941 | 236,273 | 3,968,205 |
| 2027—2028 | 1,523,822 | 2,115,869 | 99,243 | 243,131 | 3,982,065 |
| 2028—2029 | 1,447,012 | 2,208,171 | 91,695 | 251,829 | 3,998,707 |
| 2029—2030 | 1,374,786 | 1,932,117 | 83,791 | 258,883 | 3,649,577 |
| 2030—2031 | 1,306,763 | 2,015,117 | 75,511 | 266,883 | 3,664,274 |
| 2031—2032 | 1,234,362 | 2,106,820 | 66,924 | 276,180 | 3,684,286 |
| 2032—2033 | 1,157,865 | 2,203,175 | 57,980 | 284,825 | 3,703,845 |
| 2033—2034 | 1,072,424 | 2,308,411 | 46,915 | 295,589 | 3,723,339 |
| 2034—2035 | 981,922 | 2,422,311 | 35,505 | 307,689 | 3,747,427 |
| 2035—2036 | 889,657 | 2,534,354 | 25,157 | 311,646 | 3,760,814 |
| 2036—2037 | 791,671 | 2,101,778 | 15,116 | 93,222 | 3,001,787 |
| 2037—2038 | 694,854 | 2,199,169 | 12,309 | 40,831 | 2,947,163 |
| 2038—2039 | 592,390 | 2,302,266 | 10,407 | 42,734 | 2,947,797 |
| 2039—2040 | 495,500 | 2,395,467 | 8,607 | 44,533 | 2,944,107 |
| 2040—2041 | 394,560 | 2,498,591 | 6,731 | 46,409 | 2,946,291 |
| 2041—2042 | 289,367 | 2,601,636 | 4,776 | 48,364 | 2,944,143 |
| 2042—2043 | 178,024 | 2,714,567 | 2,707 | 50,433 | 2,945,731 |
| 2043—2044 | 60,170 | 2,831,521 | 818 | 38,479 | 2,930,988 |
| | <u>\$ 17,786,986</u> | <u>\$ 43,424,086</u> | <u>\$ 866,091</u> | <u>\$ 3,384,914</u> | <u>\$ 65,462,077</u> |

Maturities of other debt which consist of notes from direct borrowing are as follows for the fiscal years ending:

| <i>June 30,</i> | Governmental |
|-----------------|---------------------|
| 2026 | \$ 46,195 |
| 2027 | 41,319 |
| 2028 | 35,071 |
| 2029 | 13,028 |
| 2030 | 6,418 |
| Total | \$ 142,031 |

Logan County School District
Notes to the Financial Statements

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

Changes in long-term obligations are as follows:

| <i>June 30, 2025</i> | Balance July 1, 2024 | Increases | Decreases | Balance June 30, 2025 | Amounts Due Within One Year |
|---|---------------------------------|-------------------|-----------------------|----------------------------------|--|
| Governmental activities | | | | | |
| Bonds and notes payable: | | | | | |
| General obligation debt | \$ 48,896,000 | \$ - | \$ (2,087,000) | \$ 46,809,000 | \$ 2,163,000 |
| Premiums (discounts) - net | 887,165 | - | (54,170) | 832,995 | - |
| Total bonds and notes payable | 49,783,165 | - | (2,141,170) | 47,641,995 | 2,163,000 |
| Other liabilities: | | | | | |
| Other notes from direct borrowings | 134,517 | 57,660 | (50,146) | 142,031 | 46,195 |
| Compensated absences | 1,135,060 | 263,396 | (99,179) | 1,299,277 | 708,133 |
| Total other liabilities | 1,269,577 | 321,056 | (149,325) | 1,441,308 | 754,328 |
| Total long-term liabilities | \$ 51,052,742 | \$ 321,056 | \$ (2,290,495) | \$ 49,083,303 | \$ 2,917,328 |
| Business-type/proprietary activities | | | | | |
| Other liabilities: | | | | | |
| Compensated absences | \$ 29,270 | \$ 5,266 | \$ (2,633) | \$ 31,903 | \$ 17,984 |
| Total other liabilities | \$ 29,270 | \$ 5,266 | \$ (2,633) | \$ 31,903 | \$ 17,984 |

NOTE 7: FUND BALANCES

The Board follows GASB Statement Number 54. Under this statement, fund balance is separated into five categories, as follows:

Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District did not have nonspendable fund balance at June 30, 2025.

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. At June 30, 2025, the District had \$541,683 restricted in the special revenue fund for grant programs, \$4,734,388 restricted in the construction fund for capital projects, \$8,149 restricted in the debt service fund and \$3,779 restricted in FSPK for SFCC offer, and \$653,188 restricted in student activity fund for student activities.

Logan County School District Notes to the Financial Statements

NOTE 7: FUND BALANCES (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. The District had the following commitments in the general fund at June 30, 2025: \$521,211 for compensated absences and \$6,000,000 for a minimum fund balance policy.

Assigned fund balances are 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. The District had \$19,436 assigned related to encumbrances in the special revenue district activity fund for operating costs of the District's schools at June 30, 2025. Assigned fund balances also include (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.

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations using restricted funds first, followed by committed funds, assigned funds and then unassigned funds. Encumbrances are not liabilities and, therefore, not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically rebudgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance at June 30, 2025 in the governmental funds balance sheet.

Statutorily, the Kentucky Department of Education may assume financial control over any school district whose fund balance drops below 2% of the total expenditures of certain funds. To maintain balances above this level, they recommend reserving at least 5%. As of June 30, 2025, the Board has committed \$6,000,000 to ensure fund balance remains above these levels. While these funds have been properly committed and not budgeted for future years' expenditures, there is no mandate on how these funds would be used if the Board fell below this floor.

NOTE 8: PENSION PLANS

Pensions

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

NOTE 8: PENSION PLANS (CONTINUED)

General Information About the KTRS Pension Plan

Plan Description

The KTRS was created by the 1938 General Assembly and is governed by Kentucky Revised Statutes (KRS) chapter 161 sections 220 through 990. KTRS is a blended component unit of the Commonwealth of Kentucky and, therefore, is included in the Commonwealth's financial statements. KTRS is a cost-sharing multiple-employer defined benefit plan with a special funding situation established to provide retirement, health and life insurance benefits for specified employees of local school districts and other public educational agencies in the Commonwealth.

KRS 161.250 provides that the general administration and management of KTRS, and the responsibility for its proper operation, is vested in a board of trustees. The board of trustees consists of the chief state school officer, the State Treasurer, two trustees appointed by the governor, and seven elected trustees. Four of the elected trustees are active teachers, two are not members of the teaching profession, and one is an annuitant of the system.

Any regular or special teacher, or professional occupying a position requiring certification or graduation from a four-year college or university is eligible to participate in the system. KTRS issues a publicly available financial report that can be found on the KTRS website.

Benefits Provided

KTRS provides retirement benefits to plan members. Plan members are divided into the following three categories:

For Members Hired Before July 1, 2008 (TRS 1 and TRS 2):

Members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

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

Members receive monthly payments equal to 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. Members who became members on or after July 1, 2002, will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than 10 years. New members after July 1, 2002, who retire with 10 or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first 10 years. In addition, members who retire July 1, 2004, and later with more than 30 years of service will have a multiplier for all years over 30 of 3%.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service. The minimum annual service allowance for all members is \$440 multiplied by credited service.

**Logan County School District
Notes to the Financial Statements**

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided (continued)

For Members Hired On or After July 1, 2008 and Before January 1, 2022 (TRS 3):

Members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

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

The annual retirement allowance for members is equal to: (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less; (b) 2% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3% of final average salary for years of credited service greater than 30 years.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. For all members, the annual allowance is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

For Members Hired On or After January 1, 2022 (TRS 4):

To qualify for monthly retirement benefits, payable for life, members must either:

- 1.) Attain age 57 and complete ten years of Kentucky service, or
- 2.) Attain age 65 and complete five years of Kentucky service.

Foundational Benefit: The annual foundational benefit for members is equal to service times a multiplier times final average salary. The final average salary is the member's five highest annual salaries. The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 30 years of service.

The multiplier for members is shown in the following table:

| Age | Years of Service | | | |
|-------------|------------------|----------|----------|------------|
| | 5-9.99 | 10-19.99 | 20-29.99 | 30 or more |
| 57-60 | | 1.70% | 1.95% | 2.20% |
| 61 | | 1.74% | 1.99% | 2.24% |
| 62 | | 1.78% | 2.03% | 2.28% |
| 63 | | 1.82% | 2.07% | 2.32% |
| 64 | | 1.86% | 2.11% | 2.36% |
| 65 and over | 1.90% | 1.90% | 2.15% | 2.40% |

Supplemental Benefit: The annual supplemental benefit is equal to the account balance that includes member and employer contributions and interest credited annually on June 30. Options include

**Logan County School District
Notes to the Financial Statements**

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided (continued)

annuitizing the balance or receiving the balance or a portion thereof as a lump sum either at the time of retirement or at a later date.

For members who began participating prior to January 1, 2022, KTRS also provides disability benefits for vested members at the rate of 60% of the final average salary. TRS 4 members will receive a disability benefit to be determined by the board through administrative regulation.

A life insurance benefit payable upon the death of a member is \$2,000 for active contributing members and \$5,000 for retired or disabled members who began participating before January 1, 2022. For TRS 4 members the life insurance benefit payable upon the death of a member is \$5,000 for active contributing members and \$10,000 for retired or disabled workers.

Cost of living increases are 1.5% annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

Contributions

Contribution rates are established by Kentucky Revised Statutes. For members who began participating before January 1, 2022, KTRS members are required to contribute 12.855% of their salaries to the system. For members employed by local school districts, the State (as a non-employer contributing entity) contributes 13.105% of salary for those who joined before July 1, 2008 and 14.105% for those who joined on or after July 1, 2008, and before January 1, 2022. Other participating employers are required to contribute the percentage contributed by members plus an additional 3.25% of members' gross salaries.

For TRS 4 members, members contribute 14.75% of their salaries to the system. Employers of members, including the state (as a non-employer contributing entity), contribute 10.75% of salary.

The member and employer contributions consist of retirement annuity contributions and OPEB contributions to the health and life insurance trusts. The member postemployment health insurance contribution is 3.75% of salary. The employer postemployment health contribution is 0.75% of member salaries. Also, employers (other than the state) contribute 3% of members' salaries and the state contributes the net cost of health insurance premiums for new retirees after June 30, 2010, in the non-Medicare eligible group. If a member leaves covered employment before accumulating five years of credited service, accumulated member contributions to the retirement trust are refunded with interest upon the member's request.

Pension Liabilities and Pension Expense

At June 30, 2025, the amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth of Kentucky (State) support, and the total portion of the net pension liability that was associated with the District were as follows:

| | | |
|---|-----------|-------------------|
| District's proportionate share of the net pension liability | \$ | - |
| State's proportionate share of the net pension liability associated with the District | | 67,481,009 |
| Total | \$ | 67,481,009 |

**Logan County School District
Notes to the Financial Statements**

NOTE 8: PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense (continued)

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures.

For the year ended June 30, 2025, the District recognized pension expense of \$8,251,792 and revenue of \$8,251,792 for support provided by the State in the government wide financial statements and pension expense of \$4,386,041 and revenue of \$4,386,041 for support provided by the State in the fund statements.

Actuarial Assumptions

A summary of the actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------------|---|
| Valuation Date | June 30, 2023 |
| Actuarial Cost Method | Entry Age |
| Investment rate of return | 7.10% net of pension plan investment expense, including inflation |
| Projected salary increases | 3.00 - 7.50%, including inflation |
| Inflation rate | 2.50% |
| Post-retirement adjustment | 1.50% |
| Municipal bond index rate | 3.94% |
| Single equivalent interest rate | 7.10% |

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally based on the Projection Scale MP-2020 with various set-forwards, set-backs and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

**Logan County School District
Notes to the Financial Statements**

NOTE 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions (continued)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------------------|--------------------------|---|
| Large Cap U.S. Equity | 35.4% | 5.0% |
| Small Cap U.S. Equity | 2.6% | 5.5% |
| Developed International Equity | 15.7% | 5.5% |
| Emerging Markets Equity | 5.3% | 6.1% |
| Fixed Income | 15.0% | 1.9% |
| High Yield Bonds | 2.0% | 3.8% |
| Other Additional Categories | 8.0% | 3.6% |
| Real Estate | 7.0% | 3.2% |
| Private Equity | 7.0% | 8.0% |
| Cash | 2.0% | 1.6% |
| Total | 100.0% | |

Discount Rate

The discount rate used to measure the total pension liability as of the Measurement Date 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 that 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.

General Information About the CERS Pension Plan

Plan Description

CERS was established by KRS 78.520 to provide retirement, disability, and death benefits to system members, and CERS is a blended component unit of the Commonwealth of Kentucky, and therefore, is included in the Commonwealth's financial statements. The District contributes to the CERS Non-Hazardous pension plan, a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time employees employed in positions of each participating county, city, school board, and any additional eligible local agencies electing to participate in CERS.

The responsibility of the plans is vested in the CERS board of trustees. The CERS board of trustees consists of nine members. Six trustees are appointed by the governor and three are elected by CERS members (active, inactive, and/or retired). CERS issues a publicly available financial report that can be obtained at www.kyret.ky.gov.

NOTE 8: PENSION PLANS (CONTINUED)

Benefits Provided

Retirement benefits may be extended to beneficiaries of members under certain circumstances. Prior to July 1, 2009, Cost of Living Adjustments (COLAs) were provided to retirees annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were to be limited to 1.50%. In 2013, the General Assembly created a new law to govern how COLAs will be granted. Language included stated COLAs will only be granted in the future if the CERS Boards determines that assets of the System are greater than 100% of the actuarial liabilities and legislation authorizes the use of surplus funds for the COLA; or the General Assembly fully prefunds the COLA through employer contributions. No COLA has been granted since July 1, 2011.

Tier 1 - Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members' accounts balance as of June 30 of the previous year at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 - Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 5% of their annual creditable compensation. Further, members also contribute an additional 1% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see Kentucky Administrative Regulation 105 KAR 1:420). These members are classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% Health Insurance contribution (HIC) to the 401(h) account is non-refundable and is forfeited.

Tier 3 - Tier 3 plan members who began participating on or after January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members contribute 5% of their monthly creditable compensation which is deposited into their account, and an additional 1% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see 105 KAR 1:420), which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4% in the member's monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation. If a vested (60 months of service) member terminates employment and applies to take a refund, the member is entitled to the members contributions (less HIC) plus employer pay credit plus interest (for both employee contributions and employer pay). If a non-vested (less than 60 months) member terminates employment and applies to take a refund, the member is entitled to receive employee contributions (less HIC) plus interest (on employee contributions only).

Contributions

Participating employers are required to contribute actuarially determined rates for pension and insurance benefit contributions. The rates are established by the CERS Board based on KRS 78.635. The rates are set each year following the annual actuarial valuation as of July 1 and prior to July of the succeeding fiscal year and are a percentage of each employee's creditable compensation. State statute requires active members to contribute 5% of creditable compensation for nonhazardous

**Logan County School District
Notes to the Financial Statements**

NOTE 8: PENSION PLANS (CONTINUED)

Contributions (continued)

members. For members participating on or after September 1, 2008, an additional 1% of creditable compensation is required. This amount is credited to the Insurance Fund and is non-refundable to the member. Employers contribute at the rate determined by the Board to be necessary for the actuarial soundness of the systems, as required by KRS 78.635. The actuarially determined rate set by the Board for the fiscal year ended June 30, 2025 was 19.71%.

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

At June 30, 2025, the District reported a liability of \$9,394,947 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on the District's share of 2024 contributions to the pension plan relative to the 2024 contributions of all participating employers, actuarially determined. At June 30, 2025, the District's proportion was .157095%.

For the year ended June 30, 2025, the District recognized pension expense of \$766,603. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Net difference between projected & actual earnings on pension plan | \$ 454,733 | \$ - |
| Net difference between projected and actual investment earnings on pension plan investments | 645,222 | 1,249,266 |
| Change of assumptions | - | 424,467 |
| Changes in proportion and differences between employer contributions and proportionate share of contribution | 563,002 | 135,341 |
| District contributions subsequent to the measurement date | 1,042,111 | - |
| Total | \$ 2,705,068 | \$ 1,809,074 |

\$1,042,111 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year end June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Logan County School District
Notes to the Financial Statements

NOTE 8: PENSION PLANS (CONTINUED)

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

| Year ended June 30, | |
|---------------------|-------------|
| 2026 | \$(170,399) |
| 2027 | 391,100 |
| 2028 | (232,202) |
| 2029 | (134,616) |
| Thereafter | - |

Actuarial Assumptions

The total pension liability, net pension liability, and sensitivity information as of June 30, 2024 were based on an actuarial valuation date of June 30, 2023. The total pension liability was rolled-forward from the valuation date (June 30, 2023) to the plan’s fiscal year ending June 30, 2024, using generally accepted actuarial principles.

There have been no changes in actuarial assumptions since June 30, 2023. The actuarial assumptions are:

| | |
|---------------------------|------------------------------------|
| Inflation | 2.50% |
| Payroll Growth Rate | 2.00% |
| Salary Increases | 3.30% to 10.30%, varies by service |
| Investment Rate of Return | 6.50% |

The mortality table used for active members was a Pub-2010 General Mortality table, for the Nonhazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

Long-Term Expected Rate of Return

The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below.

**Logan County School District
Notes to the Financial Statements**

NOTE 8: PENSION PLANS (CONTINUED)

Long-Term Expected Rate of Return (continued)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--|------------------------------|---|
| Equity | | |
| Public Equity | 50.00% | 4.15% |
| Private Equity | 10.00% | 9.10% |
| Fixed Income | | |
| Core Fixed Income | 10.00% | 2.85% |
| Specialty Credit | 10.00% | 3.82% |
| Cash | 0.00% | 1.70% |
| Inflation Protected | | |
| Real Estate | 7.00% | 4.90% |
| Real Return | 13.00% | 5.35% |
| Expected Real Return | 100.0% | 4.69% |
| Long Term Inflation Assumption | | 2.50% |
| Expected Nominal Return for Portfolio | | 7.19% |

Discount Rate

The projection of cash flows used to determine the discount rate of 6.50% for CERS Nonhazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute, as amended by House Bill 362, (passed in 2018) over the remaining 27 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the Annual Comprehensive Financial Report (ACFR).

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

| | 1% Decrease (5.50%) | Current Discount Rate (6.50%) | 1% Increase (7.50%) |
|---|--------------------------------|--|--------------------------------|
| District's proportionate share of the net pension liability | \$ 12,111,621 | \$ 9,394,947 | \$ 7,140,823 |

NOTE 8: PENSION PLANS (CONTINUED)

Deferred Compensation Plans

The District offers its employees to defer compensation in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The Plans, available to all employees, permit them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Entities with little or no administrative involvement who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities in the financial statements.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the KTRS OPEB Plan

Plan Description

The Teachers' Retirement System of the State of Kentucky (TRS) is cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts, including health and life insurance benefits for specified employees in the state. TRS was created by the 1938 General Assembly and is governed by KRS Chapter 161 Sections 220 through 990. 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 on the TRS website.

Pursuant to the provisions of KRS 161.250, the Board of Trustees (board) of the Teachers' Retirement System of the State of Kentucky (TRS) is vested with the responsibility for the general administration and management of the retirement system. The Board of Trustees consists of the chief state school officer, the state treasurer, two trustees appointed by the governor and seven elected trustees. Four of the elected trustees are active teachers, two are not members of the teaching profession, and one is an annuitant of the system.

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 Health Insurance Trust and Life Insurance Plans. The following information is about the TRS plans:

Health Insurance Trust

Plan Description

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

Benefits Provided

For employees hired prior to July 1, 2008, Retiree Medical Plan coverage eligibility is attained when an employee retires, as described in TRS 1 – TRS 4 Members. All other employees must be eligible to retire and additionally have completed a minimum of 15 years of service to be eligible for Retiree Medical Plan coverage. To be eligible for medical benefits, the member must have retired either for service or

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Benefits Provided

disability and a required amount of service credit. Members and dependents under age 65 and eligible for Medicare due to a disability after January 1, 2013 are only eligible to enroll in the MEHP. Under age 65 members who retired prior to January 1, 2013 are grandfathered from this requirement and allowed a choice of KEHP or MEHP coverage.

Contributions

The member and employer contributions consist of retirement annuity contributions and OPEB contributions to the health insurance and life insurance trusts. The member postemployment medical contribution is 3.75% of salary. The employer postemployment health insurance contribution is 0.75% of member salaries. Also, employers (other than the state) contribute 3% of members' salaries and the state contributes the net cost of health insurance premiums for new retirees after June 30, 2010, in the non-Medicare eligible group.

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

At June 30, 2025, the District reported a liability of \$4,673,000 for its proportionate share of collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.209633%.

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

| | |
|---|---------------------|
| District's proportionate share of the net OPEB liability | \$ 4,673,000 |
| State's proportionate share of the net OPEB liability associated with the District | 4,163,000 |
| Total | \$ 8,836,000 |

For the year ended June 30, 2025, the District recognized OPEB expense of \$(244,000), which included \$(134,000) related to changes in proportion and differences between employer contributions and proportionate share of contributions. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 1,403,000 |
| Changes of assumptions | 1,190,000 | - |
| Net difference between projected and actual earnings on OPEB plan investments | - | 150,000 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,391,000 | 2,328,000 |
| District contributions subsequent to measurement date | 449,756 | - |
| Total | <u>\$ 3,030,756</u> | <u>\$ 3,881,000</u> |

Of the total amount reported as deferred outflows of resources related of OPEB, \$449,756 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2026. 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:

| <i>Year ended June 30,</i> | |
|----------------------------|--------------|
| 2026 | \$ (429,000) |
| 2027 | (83,000) |
| 2028 | (131,000) |
| 2029 | (334,000) |
| 2030 | (293,000) |
| Thereafter | (30,000) |

Logan County School District Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions

A summary of the actuarial valuation as of the latest actuarial valuation follows.

| | |
|---------------------------------|---|
| Valuation Date | June 30, 2023 |
| Investment Rate of Return | 7.10%, net of OPEB plan investment expense, including inflation |
| Projected Salary Increases | 3.00% - 7.50%, including wage inflation |
| Inflation Rate | 2.50% |
| Real Wage Growth | 0.25% |
| Wage Inflation | 2.75% |
| Municipal Bond Index Rate | 3.94% |
| Discount Rate | 7.10% |
| Single Equivalent Interest Rate | 7.10%, net of OPEB plan investment expense, including price inflation |
| Healthcare Cost Trends: | |
| Medical trend | 6.50% for FYE 2024 decreasing to an ultimate rate of 4.50% by FYE 2031 |
| Medicare Part B Premiums | 5.92% for FYE 2024 with an ultimate rate of 4.50% by 2035 |

Mortality rates were based on the Pub2010 (Teachers Amount-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups: service retirees, contingent annuitants, disabled retirees, deferred vested retirees, and active members.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2023 valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 2023 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation. The health care cost trend rate assumption was updated for the June 30, 2023 valuation and was shown as an assumption change in the Total OPEB Liability (TOL) roll-forward while the change in initial per capita claims costs was included with experience in the TOL roll-forward.

The long-term expected rate of return on Health Trust and Life Trust investments 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.

Logan County School District Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions (continued)

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------------------|-------------------|---|
| Large Cap U.S. Equity | 35.4% | 5.0% |
| Small Cap U.S. Equity | 2.6% | 5.5% |
| Developed International Equity | 15.0% | 5.5% |
| Emerging Markets Equity | 5.0% | 6.1% |
| Fixed Income | 9.0% | 1.9% |
| High Yield Bonds | 8.0% | 3.8% |
| Other Additional Categories | 9.0% | 3.7% |
| Real Estate | 6.5% | 3.2% |
| Private Equity | 8.5% | 8.0% |
| Cash | 1.0% | 1.6% |
| Total | 100.0% | |

Discount Rate

The discount rate used to measure the total OPEB liability as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. Future contributions to the Health Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Based on those assumptions, the Health Trust's fiduciary net position was not projected to be depleted.

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Discount Rate

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

| | 1% Decrease (6.10%) | Current Discount Rate (7.10%) | 1% Increase (8.10%) |
|---|------------------------|----------------------------------|------------------------|
| District's proportionate share of the collective net OPEB liability | \$ 6,208,000 | \$ 4,673,000 | \$ 3,401,000 |

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the District’s Proportionate Share of the collective net OPEB Liability to Changes in the Healthcare Cost Trends Rates

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

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|--------------|-----------------------|--------------|
| District's proportionate share of the collective net OPEB liability | \$ 3,156,000 | \$ 4,673,000 | \$ 6,557,000 |

Life Insurance Trust

Plan Description

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

Benefits Provided

Effective July 1, 2000, TRS provides life insurance benefit in a minimum amount of five thousand dollars (\$5,000) for its members who are retired for service or disability if hired prior to January 1, 2022. Provide a life insurance benefit in a minimum amount of ten thousand dollars (\$10,000) for its members who are retired for service or disability if hired on or after January 1, 2022.

TRS provides life insurance benefit in a minimum amount of two thousand dollars (\$2,000) for its active contributing members if hired prior to January 1, 2022. Provide a life insurance benefit in a minimum amount of five thousand dollars (\$5,000) for its active contributing members if hired on or after January 1, 2022.

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

At June 30, 2025, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the state of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related Commonwealth of Kentucky (state) support, and the total portion of the net OPEB liability that was associated with the District were as follows:

| | | | |
|--|----|--------|--|
| District's proportionate share of the net OPEB liability | \$ | - | |
| State's proportionate share of the net OPEB liability associated with the District | | 95,000 | |
| Total | \$ | 95,000 | |

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions

A summary of the actuarial assumptions as of the latest actuarial valuation follows.

| | |
|---------------------------------|--|
| Valuation Date | June 30, 2023 |
| Investment Rate of Return | 7.10%, net of OPEB plan investment expense, including inflation |
| Projected Salary Increases | 3.00% - 7.50%, including wage inflation |
| Inflation Rate | 2.50% |
| Real Wage Growth | 0.25% |
| Wage Inflation | 2.75% |
| Municipal Bond Index Rate | 3.94% |
| Discount Rate | 7.10% |
| Single Equivalent Interest Rate | 7.10%, net of OPEB plan investment expense, including price inflation |

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

Long-Term Expected Rate of Return

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

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

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return (continued)

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|--------------------------------|--------------------------|---|
| U.S. Equity | 40.00% | 5.2% |
| Developed International Equity | 15.00% | 5.5% |
| Emerging Markets Equity | 5.00% | 6.1% |
| Fixed Income | 21.00% | 1.9% |
| Other Additional Categories | 5.00% | 4.0% |
| Real Estate | 7.00% | 3.2% |
| Private Equity | 5.00% | 8.0% |
| Cash | 2.00% | 1.6% |
| Total | 100.00% | |

Discount Rate

The discount rate used to measure the total OPEB liability as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The employer will contribute Actuarially Determined Contribution (ADC) in accordance with the Life Trust's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies. Based on those assumptions, the Life Trust's fiduciary net position was not projected to be depleted.

General Information about the County Employees Retirement System's (CERS) OPEB Plan

Plan Description

Under the provisions of Kentucky Revised Statutes Sections 61.505, the Kentucky Public Pension Authority oversees the CERS Nonhazardous cost-sharing, multiple-employer OPEB plans that cover all regular full-time members employed in nonhazardous positions of the District. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. The CERS Board has nine trustees. Three elected by the membership and six appointed by the Governor. The CERS Insurance Fund is included in a publicly available financial report that can be obtained at www.kyret.ky.gov.

Benefits Provided

Department of Employee Insurance (DEI) administers retiree claims for retirees who are non-Medicare eligible. Humana administers retiree claims for members who are Medicare eligible. The CERS Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

Logan County School District Notes to the Financial Statements

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Contributions

For the year ended June 30, 2025, the required contribution was 0.00% of each employee's covered payroll. Contributions from the District to the KRS Insurance Fund for the year ended June 30, 2025, were \$0. The KRS board may amend contribution rates if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS board. Employees qualifying as Tier 2 or Tier 3 of the CERS plan members contribute 1% of pay to an account created for the payment of health insurance benefits.

Implicit Subsidy

Since the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB No. 75 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability.

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

At June 30, 2025, the District reported a liability (asset) of \$(271,965) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net OPEB liability was based on the District's share of 2024 contributions to the OPEB plan relative to the 2024 contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.157223%.

For the year ended June 30, 2025, the District recognized OPEB expense of approximately \$(665,510).

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference between expected and actual experience | \$ 150,883 | \$ 2,139,825 |
| Net difference between projected and actual investment earnings on OPEB plan investments | 239,064 | 487,248 |
| Change of assumptions | 246,433 | 191,900 |
| Changes in proportion and differences between employer contributions and proportionate share of contribution | 186,977 | 94,998 |
| District contributions subsequent to the measurement date | - | - |
| Total | \$ 823,357 | \$ 2,913,971 |

For the year ended June 30, 2025, \$0 was reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <i>Year ended June 30,</i> | |
|----------------------------|--------------|
| 2026 | \$ (867,984) |
| 2027 | (654,693) |
| 2028 | (572,870) |
| 2029 | 4,933 |
| 2030 | - |
| Thereafter | - |

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2024 are based on an actuarial valuation date of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date (June 30, 2023) to the plan’s fiscal year ended June 30, 2024, using generally accepted actuarial principles. The following actuarial assumptions were used in performing the actuarial valuation as of June 30, 2024:

| | | |
|---|--|-------|
| Inflation | | 2.50% |
| Payroll Growth Rate | | 2.00% |
| Salary Increases | 3.30% to 10.30%, varies by service for CERS non-hazardous | |
| Investment Rate of Return | | 6.50% |
| Healthcare Trend Rates (Pre-65) | Initial trend starting at 7.10% at January 1, 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years. | |
| Healthcare Trend Rates (Post-65) | Initial trend starting at 8.00% in 2026, then gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years. | |
| Mortality (Pre-retirement) | PUB-2010 General Mortality table, for the Nonhazardous Systems projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. | |
| Mortality (Post-retirement; non-disabled) | System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. | |
| Mortality (Post-retirement; disabled) | PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. | |

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return was determined by using a building block method in which best estimated ranges of expected future real rates of return were developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized in the table below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--|----------------------|---|
| Equity | | |
| Public Equity | 50.00% | 4.15% |
| Private Equity | 10.00% | 9.10% |
| Fixed Income | | |
| Core Fixed Income | 10.00% | 2.85% |
| Specialty Credit | 10.00% | 3.82% |
| Cash | 0.00% | 1.70% |
| Inflation Protected | | |
| Real Estate | 7.00% | 4.90% |
| Real Return | 13.00% | 5.35% |
| Expected Real Return | 100.0% | 4.69% |
| Long Term Inflation Assumption | | 2.50% |
| Expected Nominal Return for Portfolio | | 7.19% |

Discount Rate

Single discount rate of 5.99% for the CERS non-hazardous insurance plan was used to measure the total OPEB liability as of June 30, 2024. The single discount rate is based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected separately and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

**Logan County School District
Notes to the Financial Statements**

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Discount Rate (continued)

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy.

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability as of June 30, 2025, calculated using the discount rate of 5.99%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.99%) or 1-percentage-point higher (6.99%) than the current rate:

| | <u>1% Decrease (4.99%)</u> | <u>Current Discount Rate (5.99%)</u> | <u>1% Increase (6.99%)</u> |
|---|--------------------------------|--|--------------------------------|
| District's proportionate share of the collective net OPEB liability | \$ 367,727 | \$ (271,965) | \$ (809,818) |

Sensitivity of the District's Proportionate Share of the collective net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

| | <u>1% Decrease</u> | <u>Current Healthcare Rate</u> | <u>1% Increase</u> |
|---|--------------------|--|--------------------|
| District's proportionate share of the collective net OPEB liability | \$ (654,314) | \$ (271,965) | \$ 173,445 |

**Logan County School District
Notes to the Financial Statements**

NOTE 10: CONTINGENCIES

The District receives funding from federal, state and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. The 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.

NOTE 11: RISK MANAGEMENT

The District is exposed to various forms of loss of assets associated with the risks related to torts; theft of, damage to and destruction of assets; fire, personal liability, vehicular accidents; errors and omissions; injuries to employees; fiduciary responsibility; and natural disaster. Each of these risk areas are covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated which include workers' compensation insurance.

The District purchases unemployment insurance through the Kentucky School Boards Association ("KSBA"). Once the District has paid 1% of the first \$6,000 of salary, KSBA covers 100% of claims. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12: LITIGATION

The District is subject to various other legal actions in various stages 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.

NOTE 13: EXCESS EXPENDITURES OVER APPROPRIATIONS

The District did not have any funds with a deficit net position at June 30, 2025. Also, the following funds had excess current year expenditures over current year appropriated revenues:

| <i>Year ended June 30, 2025</i> | |
|---------------------------------|---------------|
| Fund | Amount |
| General | \$ 181,464 |
| Special revenue | 111,875 |
| Construction | 15,705,517 |
| Debt service | 7,516 |
| Food service | 32,226 |
| Private purpose trust funds | 13,172 |
| District Activity | 162 |

**Logan County School District
Notes to the Financial Statements**

NOTE 14: FUND TRANSFERS

Fund transfers for the year ended June 30, 2025 consist of the following:

| Type | From Fund | To Fund | Purpose | Amount |
|-------------|------------------|-------------------|----------------|---------------|
| Operating | General | Special Revenue | Technology | \$ 62,148 |
| Operating | General | Debt Service | Debt Service | 335,920 |
| Operating | Special Revenue | Construction | Construction | 554,230 |
| Operating | FSPK | General | Operating | 457,768 |
| Operating | FSPK | Debt Service | Debt Service | 3,253,576 |
| Operating | SEEK | Construction | Construction | 3,716 |
| Operating | SEEK | General | Operating | 301,836 |
| Operating | Student Activity | District Activity | Operating | 7,777 |

NOTE 15: ON-BEHALF PAYMENTS

The District receives on-behalf payments from the State of Kentucky for items including pension, technology, health care costs, operating costs and debt service. The amount received for the fiscal year ended June 30, 2025 was \$10,125,277. These payments were recorded as follows:

| <i>Year ended June 30, 2025</i> | |
|--|----------------------|
| Fund | Amount |
| General Fund | \$ 9,528,789 |
| Food Service Fund | 233,619 |
| Debt Service Fund | 362,869 |
| Total | \$ 10,125,277 |
| <i>Year ended June 30, 2025</i> | |
| Technology | \$ 67,246 |
| Health insurance less Federal reimbursements | 4,683,159 |
| Life insurance | 5,608 |
| Administrative fees | 44,804 |
| HRA/Dental/Vision insurance | 176,138 |
| SFCC debt service | 362,869 |
| KTRS | 4,785,453 |
| Total | \$ 10,125,277 |

Logan County School District
Budgetary Comparison Schedule for the General Fund

| <i>For the Year ended June 30, 2025</i> | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variances</u> |
|---|-------------------------|-------------------|-------------------|------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final to Actual</u> |
| Revenues | | | | |
| Local and intermediate sources | \$ 9,241,987 | \$ 9,673,106 | \$ 10,094,145 | \$ 421,039 |
| State programs | 24,088,626 | 24,643,999 | 25,059,646 | 415,647 |
| Federal programs | 25,000 | 50,000 | 63,219 | 13,219 |
| Total revenues | 33,355,613 | 34,367,105 | 35,217,010 | 849,905 |
| Expenditures | | | | |
| Current | | | | |
| Instruction | 19,925,656 | 20,312,330 | 20,799,031 | (486,701) |
| Support services: | | | | |
| Student | 1,523,594 | 1,698,584 | 1,687,483 | 11,101 |
| Instructional staff | 1,911,915 | 1,815,406 | 1,821,129 | (5,723) |
| District administration | 630,343 | 817,723 | 825,555 | (7,832) |
| School administration | 2,394,247 | 2,482,603 | 2,523,045 | (40,442) |
| Business | 899,422 | 835,345 | 836,140 | (795) |
| Plant operations and maintenance | 4,663,253 | 4,755,065 | 4,627,270 | 127,795 |
| Student transportation | 2,614,216 | 2,626,375 | 2,564,106 | 62,269 |
| Other | | | | |
| Community Services | 68,975 | 86,008 | 88,227 | (2,219) |
| Contingency | 2,712,042 | 2,723,461 | - | 2,723,461 |
| Total expenditures | 37,343,663 | 38,152,900 | 35,771,986 | 2,380,914 |

(Continued)

Logan County School District
Budgetary Comparison Schedule for the General Fund (Continued)

| <i>For the Year ended June 30, 2025</i> | <u>Budgeted Amounts</u> | | Actual | <u>Variances</u> |
|---|-------------------------|----------------|---------------------|------------------------|
| | Original | Final | | Final to Actual |
| Excess (deficiency) of revenues over expenditures | (3,988,050) | (3,785,795) | (554,976) | 3,230,819 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from sale of assets | 7,500 | 192,000 | 11,976 | (180,024) |
| Operating transfers - net | 1,057,772 | 454,031 | 361,536 | (92,495) |
| Total other financing sources (uses) | 1,065,272 | 646,031 | 373,512 | (272,519) |
| Net change in fund balance | (2,922,778) | (3,139,764) | (181,464) | 2,958,300 |
| Fund balance - beginning of year | 2,922,778 | 3,139,764 | 9,545,414 | 6,405,650 |
| Fund balance - end of year | \$ - | \$ - | \$ 9,363,950 | \$ 9,363,950 |

Logan County School District
Budgetary Comparison Schedule for the Special Revenue Fund

| <i>For the Year ended June 30, 2025</i> | Budgeted Amounts | | Actual | Variances |
|---|------------------|------------------|------------------|-----------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Local and intermediate sources | \$ 109,965 | \$ 76,958 | \$ 79,473 | \$ 2,515 |
| State programs | 1,987,879 | 4,153,349 | 4,236,705 | 83,356 |
| Federal programs | 3,259,120 | 2,929,774 | 3,265,080 | 335,306 |
| Total revenues | 5,356,964 | 7,160,081 | 7,581,258 | 421,177 |
| Expenditures | | | | |
| Current | | | | |
| Instruction | 3,250,144 | 4,592,013 | 5,430,626 | (838,613) |
| Support services | | | | |
| Student | 619,421 | 324,450 | 444,286 | (119,836) |
| Instructional staff | 734,070 | 532,536 | 676,493 | (143,957) |
| District administration | 1,588 | - | - | - |
| Business | 211,083 | 35,049 | 29,145 | 5,904 |
| Plant operations and maintenance | 107,976 | 1,206,714 | 106,324 | 1,100,390 |
| Student transportation | 140,267 | 141,028 | 129,274 | 11,754 |
| Other | 354,514 | 390,390 | 384,903 | 5,487 |
| Total expenditures | 5,419,063 | 7,222,180 | 7,201,051 | 21,129 |

(Continued)

Logan County School District
Budgetary Comparison Schedule for the Special Revenue Fund (Continued)

| <i>For the Year ended June 30, 2025</i> | Budgeted Amounts | | Actual | Variances |
|---|-------------------------|--------------|---------------|------------------------|
| | Original | Final | | Final to Actual |
| Excess (deficiency) of revenues over expenditures | (62,099) | (62,099) | 380,207 | 442,306 |
| Other Financing Sources (Uses) | | | | |
| Operating transfers - net | 62,099 | 62,099 | (492,082) | (554,181) |
| Total other financing sources (uses) | 62,099 | 62,099 | (492,082) | (554,181) |
| Net change in fund balance | - | - | (111,875) | (111,875) |
| Fund balance - beginning of year | - | - | 653,558 | 653,558 |
| Fund balance - end of year | \$ - | \$ - | \$ 541,683 | \$ 541,683 |

Logan County School District
Schedule of the District's Proportionate Share of the
Net Pension Liability and Schedule of District's Contributions
Kentucky Teachers' Retirement System

Schedule of the District's Proportionate Share of the Net Pension Liability - KTRS

| <i>As of June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|---------------|
| District's proportion of the net pension liability | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| District's proportionate share of the net pension liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the District | \$ 67,481,009 | \$ 72,846,083 | \$ 75,801,014 | \$ 58,108,501 | \$ 63,246,530 | \$ 61,719,503 | \$ 61,144,433 | \$ 131,058,157 | \$ 143,257,834 | \$ 111,222,269 | \$ 95,446,484 |
| District's covered payroll | \$ 15,492,627 | \$ 15,081,627 | \$ 15,679,718 | \$ 13,366,142 | \$ 14,055,457 | \$ 14,702,174 | \$ 14,893,906 | \$ 14,587,085 | \$ 15,450,128 | \$ 14,803,488 | \$ 14,557,780 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Plan fiduciary net position as a percentage of the total pension liability | 60.36% | 57.68% | 56.41% | 65.59% | 58.27% | 58.80% | 59.30% | 39.83% | 35.22% | 42.49% | 45.59% |

Schedule of District's Contributions - KTRS

| <i>For the Years Ended June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------------|---------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the contractually required contribution | - | - | - | - | - | - | - | - | - | - |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | 15,789,181 | \$ 15,492,627 | 15,081,627 | \$ 15,679,718 | \$ 13,366,142 | \$ 14,055,457 | \$ 14,702,174 | \$ 14,893,906 | \$ 14,587,085 | \$ 15,450,128 |
| Contributions as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

**Logan County School District
Schedule of the District's Proportionate Share of the
Net Pension Liability and Schedule of District's Contributions
Kentucky Teachers' Retirement System**

Changes of Benefit Terms

2022: A new benefit tier was added for members joining the system on and after January 1, 2022.

Changes of Assumptions

2024: No changes in assumptions.

2023: no changes in assumptions

2022: No changes in assumptions.

2021: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. In addition, the calculation of the SEIR results in an assumption change from 7.50% to 7.10%.

2020: No changes in assumptions.

2019: No changes in assumptions.

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

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

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

**Logan County School District
Schedule of the District's Proportionate Share of the
Net Pension Liability and Schedule of District's Contributions
County Employees Retirement System**

| Schedule of the District's Proportionate Share of the Net Pension Liability - CERS | | | | | | | | | | |
|--|--------------|--------------|---------------|--------------|---------------|---------------|--------------|---------------|--------------|--------------|
| <i>As of June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| District's proportion of the net pension liability | 0.157095% | 0.142949% | 0.148969% | 0.146749% | 0.148821% | 0.153186% | 0.159247% | 0.174000% | 0.177379% | 0.178970% |
| District's proportionate share of the net pension liability | \$ 9,394,947 | \$ 9,172,335 | \$ 10,768,989 | \$ 9,356,400 | \$ 11,414,447 | \$ 10,773,640 | \$ 9,698,628 | \$ 10,184,755 | \$ 8,733,483 | \$ 7,694,873 |
| District's covered payroll | \$ 4,160,150 | \$ 4,184,209 | \$ 4,167,104 | \$ 3,889,803 | \$ 3,853,943 | \$ 3,915,099 | \$ 4,067,396 | \$ 4,163,849 | \$ 4,259,525 | \$ 4,205,008 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 225.8% | 219.2% | 258.4% | 240.5% | 296.2% | 275.2% | 238.4% | 244.6% | 205.0% | 183.0% |
| Plan fiduciary net position as a percentage of the total pension liability | 61.61% | 57.48% | 52.42% | 57.33% | 47.81% | 50.45% | 53.54% | 53.30% | 55.50% | 59.97% |

| Schedule of District's Contributions - CERS | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>For the Years Ended June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Contractually required contribution | \$ 1,042,111 | \$ 970,979 | \$ 979,105 | \$ 882,176 | \$ 750,732 | \$ 743,811 | \$ 635,029 | \$ 588,959 | \$ 580,857 | \$ 529,033 |
| Contributions in relation to the contractually required contribution | \$ 1,042,111 | \$ 970,979 | \$ 979,105 | \$ 882,176 | \$ 750,732 | \$ 743,811 | \$ 635,029 | \$ 588,959 | \$ 580,857 | \$ 529,033 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 5,287,220 | \$ 4,160,150 | \$ 4,184,209 | \$ 4,167,104 | \$ 3,889,803 | \$ 3,853,943 | \$ 3,915,099 | \$ 4,067,396 | \$ 4,163,849 | \$ 4,259,525 |
| Contributions as a percentage of covered payroll | 19.71% | 23.34% | 23.40% | 21.17% | 19.30% | 19.30% | 16.22% | 14.48% | 13.95% | 12.42% |

**Logan County School District
Schedule of the District's Proportionate Share of the
Net Pension Liability and Schedule of District's Contributions
County Employees Retirement System**

Changes of Benefit Terms

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

2024: No changes in benefit terms.

2023: No changes in benefit terms.

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

2017: No changes in benefit terms.

2016: No changes in benefit terms.

Changes of Assumptions

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

2023: During the 2023 legislative session, House Bill 506 was enacted which reinstated the Partial Lump-Sum Optional Form of payment for members who retire on and after January 1, 2024, as well as adjusted the minimum required separation period before a retiree may become reemployed. The total pension liability as of June 30, 2023 was determined with these updates in mind, however it is estimated these updates will not have a significant impact on the total pension liability of the plans.

2022: No changes in assumptions.

2021: During the 2021 legislative session, Senate Bill 169 was enacted which increased disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total pension liability as of June 30, 2021 is determined using these updated benefit provisions.

2020: During the 2020 legislative session, Senate Bill 249 was enacted which changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of Total Pension Liability and only impacts the calculation of the

**Logan County School District
Schedule of the District's Proportionate Share of the
Net Pension Liability and Schedule of District's Contributions
County Employees Retirement System**

contribution rates that would be payable starting July 1, 2020. Additionally, House Bill 271 was enacted which removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries. This did not have a material (or measurable) impact on the liability of the plans and therefore, no adjustment was made to the Total Pension Liability to reflect this legislation.

2019: There have been no changes in plan provisions since June 30, 2018. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018". The Total Pension liability as of June 30, 2019 is determined using these updated assumptions.

2018: During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The Total Pension Liability as of June 30, 2018 is determined using these updated benefit provisions.

2017: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total Pension Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25% for the non-hazardous system.

2016: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total Pension Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25% for the non-hazardous system.

**Logan County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
Kentucky Teachers' Retirement System – Medical Insurance Fund**

Schedule of the District's Proportionate share of the Collective Net OPEB Liability - KTRS

| <i>As of June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the collective net OPEB liability | 0.209633% | 0.224180% | 0.322153% | 0.237803% | 0.238758% | 0.240471% | 0.239976% | 0.255433% |
| District's proportionate share of the collective net OPEB liability | \$ 4,673,000 | \$ 5,460,000 | \$ 7,998,000 | \$ 5,103,000 | \$ 6,069,000 | \$ 7,038,000 | \$ 8,326,000 | \$ 9,108,000 |
| District's covered payroll | \$ 15,492,627 | \$ 15,081,627 | \$ 15,679,718 | \$ 13,366,142 | \$ 14,055,457 | \$ 14,702,174 | \$ 14,893,906 | \$ 14,587,085 |
| District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll | 30.16% | 36.20% | 51.01% | 38.18% | 43.18% | 47.87% | 55.90% | 62.44% |
| Plan fiduciary net position as a percentage of the total OEPB liability | 59.81% | 52.97% | 47.75% | 51.74% | 39.05% | 32.58% | 25.50% | 21.18% |

Schedule of the District's Contributions - KTRS

| <i>For the Years Ended June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ 449,756 | \$ 424,193 | \$ 411,839 | \$ 413,644 | \$ 385,336 | \$ 393,854 | \$ 387,693 | \$ 398,855 |
| Contributions in relation to the contractually required contribution | \$ 449,756 | 424,193 | 411,839 | 413,644 | 385,336 | 393,854 | 387,693 | 398,855 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 15,789,181 | \$ 15,492,627 | \$ 15,081,627 | \$ 15,679,718 | \$ 13,366,142 | \$ 14,055,457 | \$ 14,702,174 | \$ 14,893,906 |
| Contributions as percentage of covered payroll | 2.85% | 2.74% | 2.73% | 2.64% | 2.88% | 2.80% | 2.64% | 2.68% |

**Logan County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
Kentucky Teachers' Retirement System – Medical Insurance Fund**

Changes of Benefit Terms

2024: No changes of benefit terms.

2023: No changes of benefit terms.

2022: A new benefit tier was added for members joining the System on and after January 1, 2022.

2021: No changes of benefit terms.

2020: No changes of benefit terms.

2019: No changes of benefit terms.

2018: No changes of benefit terms.

2017: With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the State will only finance, via its KEHP "shared responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

Changes of Assumptions

2022: The health care trend rates were updated to reflect future anticipated experience.

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

**Logan County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
Kentucky Teachers' Retirement System – Life Insurance Fund**

Schedule of the District's Proportionate share of the Collective Net OPEB Liability- KTRS

| <i>As of June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the collective net OPEB liability | 0.000000% | 0.000000% | 0.000000% | 0.000000% | 0.000000% | 0.000000% | 0.000000% | 0.000000% |
| District's proportionate share of the collective net OPEB liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 15,492,627 | \$ 15,081,627 | \$ 15,679,718 | \$ 13,366,142 | \$ 14,055,457 | \$ 14,702,174 | \$ 14,893,906 | \$ 14,587,085 |
| District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total OEPB liability | 80.56% | 76.91% | 73.97% | 89.15% | 71.57% | 73.40% | 75.00% | 79.99% |

Schedule of the District's Contributions - KTRS

| <i>For the Years Ended June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the contractually required contribution | - | - | - | - | - | - | - | - |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 15,789,181 | \$ 15,492,627 | \$ 15,081,627 | \$ 15,679,718 | \$ 13,366,142 | \$ 14,055,457 | \$ 14,702,174 | \$ 14,893,906 |
| Contributions as percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

**Logan County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
Kentucky Teachers' Retirement System – Life Insurance Fund**

Changes of Benefit Terms

2022: A new benefit tier was added for members joining the System on and after January 1, 2022.

Changes of Assumptions

In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

Logan County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System

Schedule of District's Proportionate Share of the Collective Net OPEB Liability - CERS

| <i>As of June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the collective net OPEB liability | 0.157223% | 0.142943% | 0.148950% | 0.146715% | 0.148778% | 0.153159% | 0.159241% | 0.174000% |
| District's proportionate share of the net OPEB liability | \$ (271,965) | \$ (197,357) | \$ 2,939,549 | \$ 2,808,785 | \$ 3,592,536 | \$ 2,576,065 | \$ 2,827,292 | \$ 3,497,995 |
| District's covered payroll | \$ 4,160,150 | \$ 4,184,209 | \$ 4,167,104 | \$ 3,889,803 | \$ 3,853,943 | \$ 3,915,099 | \$ 4,067,396 | \$ 4,163,849 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | -6.54% | -4.72% | 70.54% | 72.21% | 93.22% | 65.80% | 69.51% | 84.01% |
| Plan fiduciary net position as a percentage of the total OEPB liability | 104.89% | 104.23% | 60.95% | 62.91% | 51.67% | 60.44% | 57.62% | 52.40% |

Schedule of the District's Contributions - CERS

| <i>For the Year Ended June 30,</i> | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ - | \$ - | \$ 142,436 | \$ 240,185 | \$ 185,343 | \$ 183,634 | \$ 206,069 | \$ 191,119 |
| Contributions in relation to the contractually required contribution | - | - | 142,436 | 240,185 | 185,343 | 183,634 | 206,069 | 191,119 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 5,840,193 | \$ 4,160,150 | \$ 4,184,209 | \$ 4,167,104 | \$ 3,889,803 | \$ 3,853,943 | \$ 3,915,099 | \$ 4,067,396 |
| Contributions as percentage of covered payroll | 0.00% | 0.00% | 3.39% | 5.76% | 4.76% | 4.76% | 5.26% | 4.70% |

**Logan County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System**

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

Changes of Benefit Terms

No changes of benefit terms.

Changes of Assumptions

2024: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year.

2023: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 9 of the financial statements. During the 2023 legislative session, House Bill 506 was enacted which reinstated the Partial Lump-Sum Optional Form of payment for members who retire on and after January 1, 2024, as well as adjusted the minimum required separation period before a retiree may become reemployed. The total pension liability as of June 30, 2023 was determined with these updates in mind, however it is estimated these updates will not have a significant impact on the total pension liability of the plans.

2022: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 11 of the financial statements. During the 2022 legislative session, Senate Bill 209 was enacted which increased the insurance dollar contribution for members hired on or after July 1, 2023 by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA. The total OPEB liability as of June 30, 2022 is determined using these updated benefit provisions.

2021: During the 2021 legislative session, Senate Bill 169 was enacted which increased disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021 is determined using these updated benefit provisions.

2020: During the 2020 legislative session, Senate Bill 249 was enacted which changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of Total OPEB Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020.

2019: There have been no changes in plan provisions since June 30, 2018. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018". The Total Pension liability as of June 30, 2019 is determined using these updated assumptions.

**Logan County School District
Schedule of the District's Proportionate Share of the
Collective Net OPEB Liability and Schedule of District's Contributions
County Employees Retirement System**

2018: There have been no changes in actuarial assumptions since June 30, 2017 (other than the blended discount rate used to calculate the total OPEB liability). However, during the 2018 legislative session, House Bill 185 was enacted, which update the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2018 is determined using the updated benefit provisions.

2017: There was no legislation enacted during the 2017 legislative session that had a material change in benefit provisions for CERS. However, subsequent to the actual valuation date (June 30, 2016), but prior to the measurement date (June 30, 2017), the KRS Board of Trustees adopted updated actuarial assumptions which will be used in performing the actuarial valuation as of June 30, 2017. Specifically, the Total OPEB Liability as of June 30, 2017 is determined using a 2.30% price inflation assumption for the non-hazardous system and the assumed rate of return is 6.25%.

**Logan County School District
Combining Balance Sheet
Nonmajor Governmental Funds**

| <i>June 30, 2025</i> | SEEK Fund | FSPK Fund | District Activity Fund | Student Activity Fund | Debt Service Fund | Total Other Governmental Funds |
|--|----------------------|----------------------|-----------------------------------|----------------------------------|------------------------------|---|
| Assets | | | | | | |
| Cash | \$ - | \$ 3,779 | \$ 19,436 | \$ 611,242 | \$ 8,149 | \$ 642,606 |
| Accounts receivable: | | | | | | |
| Accounts | - | - | - | 605 | - | 605 |
| Due from other funds | - | - | - | 98,774 | - | 98,774 |
| Total assets | \$ - | \$ 3,779 | \$ 19,436 | \$ 710,621 | \$ 8,149 | \$ 741,985 |
| Liabilities | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 57,433 | \$ - | \$ 57,433 |
| Total liabilities | - | - | - | 57,433 | - | 57,433 |
| Fund balances | | | | | | |
| Restricted | - | - | - | 653,188 | 8,149 | 661,337 |
| Restricted SFCC Offer | - | 3,779 | - | - | - | 3,779 |
| Assigned | - | - | 19,436 | - | - | 19,436 |
| Total fund balance | - | 3,779 | 19,436 | 653,188 | 8,149 | 684,552 |
| Total liabilities and fund balances | \$ - | \$ 3,779 | \$ 19,436 | \$ 710,621 | \$ 8,149 | \$ 741,985 |

Logan County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

| <i>For the Year ended June 30, 2025</i> | SEEK Fund | FSPK Fund | District Activity Fund | Student Activity Fund | Debt Service Fund | Total Other Governmental Funds |
|---|----------------------|----------------------|-----------------------------------|----------------------------------|------------------------------|---|
| Revenues | | | | | | |
| From local sources: | | | | | | |
| Taxes: | | | | | | |
| Property | \$ - | \$ 1,919,746 | \$ - | \$ - | \$ - | \$ 1,919,746 |
| Other local revenue | - | - | 20 | 981,043 | - | 981,063 |
| Earnings on investments | - | 33 | - | 1,107 | - | 1,140 |
| Intergovernmental - state | 306,552 | 1,792,598 | - | - | 362,869 | 2,462,019 |
| Total revenues | 306,552 | 3,712,377 | 20 | 982,150 | 362,869 | 5,363,968 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Instruction | - | - | 3,445 | 869,392 | - | 872,837 |
| Support services: | | | | | | |
| Student | - | - | - | - | - | - |
| Instructional staff | - | - | 100 | 40,922 | - | 41,022 |
| Plant operations and maintenance | - | - | 4,414 | - | - | 4,414 |
| Student transportation | - | - | - | 53,190 | - | 53,190 |
| Land improvement | 1,000 | 1,000 | - | - | - | 2,000 |
| Building acquisition & construction | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 2,087,000 | 2,087,000 |
| Interest | - | - | - | - | 1,872,881 | 1,872,881 |
| Total expenditures | 1,000 | 1,000 | 7,959 | 963,504 | 3,959,881 | 4,933,344 |
| Excess (deficiency) of revenues over expenditures | 305,552 | 3,711,377 | (7,939) | 18,646 | (3,597,012) | 430,624 |

(Continued)

Logan County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

| <i>For the Year ended June 30, 2025</i> | SEEK Fund | FSPK Fund | District Activity Fund | Student Activity Fund | Debt Service Fund | Total Other Governmental Funds |
|---|----------------------|----------------------|-----------------------------------|----------------------------------|------------------------------|---|
| Other Financing Sources (Uses) | | | | | | |
| Operating transfers in | - | - | 7,777 | - | 3,589,496 | 3,597,273 |
| Operating transfers out | (305,552) | (3,711,344) | - | (7,777) | - | (4,024,673) |
| Total other financing sources (uses) | (305,552) | (3,711,344) | 7,777 | (7,777) | 3,589,496 | (427,400) |
| Net change in fund balances | - | 33 | (162) | 10,869 | (7,516) | 3,224 |
| Fund balances - beginning of year | - | 3,746 | 19,598 | 642,319 | 15,665 | 681,328 |
| Fund balances - end of year | \$ - | \$ 3,779 | \$ 19,436 | \$ 653,188 | \$ 8,149 | \$ 684,552 |

**Logan County School District
Combining Statement of School Activity Funds**

| <i>As of and for the Year Ended June 30, 2025</i> | Cash | Cash | Cash | Cash | Accounts | Accounts | Accounts | Fund Balance |
|---|---------------------|-------------------|----------------------|----------------------|----------------------|-------------------|------------------|----------------------|
| | July 1, 2024 | Receipts | Disbursements | June 30, 2025 | Receivable | Receivable | Payable | June 30, 2025 |
| | | | | | From District | | | |
| Logan County High School | \$ 214,552 | \$ 486,854 | \$ 452,519 | \$ 248,887 | \$ 98,774 | \$ 605 | \$ 42,561 | \$ 305,705 |
| Adairville Elementary | 70,345 | 83,576 | 91,272 | 62,649 | - | - | - | 62,649 |
| Auburn Elementary | 67,719 | 107,455 | 112,598 | 62,576 | - | - | 6,334 | 56,242 |
| Chandlers Elementary | 77,380 | 105,659 | 120,623 | 62,416 | - | - | - | 62,416 |
| Lewisburg Elementary | 78,069 | 101,725 | 94,823 | 84,971 | - | - | 4,835 | 80,136 |
| Olmstead Elementary | 88,314 | 90,287 | 88,858 | 89,743 | - | - | 3,703 | 86,040 |
| Total | \$ 596,379 | \$ 975,556 | \$ 960,693 | \$ 611,242 | \$ 98,774 | \$ 605 | \$ 57,433 | \$ 653,188 |

**Logan County School District
Statement of School Activity Funds
Logan County High School**

| <i>As of and for the Year Ended June 30, 2025</i> | Cash July 1, 2024 | Cash Receipts | Cash Disbursements | Cash June 30, 2025 | Accounts Receivable | Accounts Payable | Accounts Receivable External | Fund Balance June 30, 2025 |
|---|------------------------------|--------------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------|---|---------------------------------------|
| Archery | \$ - | \$ 6,465 | \$ 3,291 | \$ 3,174 | \$ 313 | \$ 230 | \$ - | \$ 3,257 |
| Arts/S4ZARTS | - | 3,643 | 2,566 | 1,077 | 66 | 200 | - | 943 |
| Academic Team | - | 1,250 | 165 | 1,085 | - | - | - | 1,085 |
| Athletics/Middle School | - | 541 | - | 541 | - | - | - | 541 |
| Athletics | 23,652 | 132,675 | 133,091 | 23,236 | 596 | 298 | - | 23,534 |
| Non-Revenue | - | 12,785 | 12,785 | - | - | - | - | - |
| Payable to Boosters | - | 1,363 | 1,363 | - | - | - | - | - |
| District Athletics | - | 8,997 | 8,997 | - | - | - | - | - |
| Baseball | 4,800 | 16,380 | 10,737 | 10,443 | 2,403 | - | - | 12,846 |
| Baseball/Middle School | - | 7,068 | 5,714 | 1,354 | 5,120 | - | - | 6,474 |
| Bass Fishing Club | - | 7,582 | 4,416 | 3,166 | 1,598 | - | - | 4,764 |
| Beta Club | - | 2,243 | 2,243 | - | 2,733 | - | - | 2,733 |
| Book Fund | 71 | - | - | 71 | - | - | - | 71 |
| Book Club | - | 1,165 | 1,165 | - | 1,755 | - | - | 1,755 |
| Boys Basketball | - | 39,196 | 15,663 | 23,533 | 342 | 18,699 | - | 5,176 |
| Boys Basketball/Middle School | 3,766 | 3,017 | 5,529 | 1,254 | - | - | - | 1,254 |
| Girls Basketball | - | 13,666 | 13,666 | - | 3,540 | - | - | 3,540 |
| Carnival | - | - | - | - | 46 | - | - | 46 |
| Cheerleading | 185 | 1,331 | - | 1,516 | - | - | - | 1,516 |
| MS Cheerleading | - | 727 | 727 | - | 438 | - | - | 438 |
| Cougar Cookies | - | 2,258 | 1,555 | 703 | 1,775 | - | - | 2,478 |
| Cougar Custom | - | 3 | - | 3 | 79 | - | - | 82 |
| Cross Country | - | 1,137 | 125 | 1,012 | 975 | - | - | 1,987 |
| DAF Sweep Account | - | 5,971 | 5,971 | - | - | - | - | - |
| Parking Pass Fees | - | 1,720 | 1,720 | - | - | - | - | - |
| DECA | 27,381 | 17,146 | 7,195 | 37,332 | - | 154 | - | 37,178 |
| Cougar Store | - | 170 | - | 170 | 1,894 | - | - | 2,064 |
| DMAC | 35 | - | - | 35 | - | - | - | 35 |
| Esports | - | - | - | - | 389 | - | - | 389 |
| FBLA Club | 22,102 | 27,120 | 10,512 | 38,710 | - | 4,464 | - | 34,246 |
| FCA Club | - | - | - | - | 170 | - | - | 170 |

(Continued)

Logan County School District
Statement of School Activity Funds (Continued)
Logan County High School

| <i>As of and for the Year Ended June 30, 2025</i> | Cash | Cash | Cash | Cash | Accounts | Accounts | Accounts | Fund Balance |
|---|---------------------|-----------------|----------------------|----------------------|-------------------|-----------------|-------------------|----------------------|
| | July 1, 2024 | Receipts | Disbursements | June 30, 2025 | Receivable | Payable | Receivable | June 30, 2025 |
| | | | | | External | | | |
| FFA Club | 448 | 59,692 | 54,573 | 5,567 | 6,182 | 2,400 | 105 | 9,454 |
| Grill & Chill | - | 22 | - | 22 | 20 | | | 42 |
| Barren River FFA | - | - | - | - | 1,000 | | | 1,000 |
| FCCLA Club | - | 12,832 | 11,390 | 1,442 | 3,171 | | | 4,613 |
| FMD | - | - | - | - | 657 | | | 657 |
| FMD - Cougar Cave | - | 3,666 | 3,074 | 592 | 11,894 | | | 12,486 |
| Football | - | 26,267 | 26,267 | - | 722 | | | 722 |
| Football/Middle School | 2,579 | 8,065 | 4,822 | 5,822 | | | | 5,822 |
| Jag | - | 1,000 | 479 | 521 | | | | 521 |
| Student Instructional Fee | - | 1,821 | 1,821 | - | | | | - |
| General | 19,092 | 1,750 | 19,985 | 857 | | 53 | | 804 |
| General #1 - Teacher | - | 6,171 | 6,171 | - | 1,629 | 106 | | 1,523 |
| General #2 - Student | 23,138 | 9,244 | 31,555 | 827 | 1,018 | | | 1,845 |
| Golf | - | 1,117 | - | 1,117 | 874 | | | 1,991 |
| Greenhouse | 1,902 | 23,538 | 13,232 | 12,208 | 9,583 | 713 | 500 | 21,578 |
| Cadet Enterprises | - | 2,410 | 1,102 | 1,308 | | | | 1,308 |
| JROTC Club | 8,796 | 18,215 | 26,058 | 953 | | | | 953 |
| KYA | - | 1,594 | 1,594 | - | | | | - |
| Law Club | 559 | - | 360 | 199 | | | | 199 |
| LC Entertainment | - | 375 | 82 | 293 | 200 | | | 493 |
| LCYSC | 11,694 | 33,428 | 6,530 | 38,592 | | | | 38,592 |
| Logan Slush | - | 70 | - | 70 | 10,403 | | | 10,473 |
| Pep Club | 936 | 1,977 | 1,897 | 1,016 | | 20 | | 996 |
| Prom Fund | - | 14,811 | 14,811 | - | 9,143 | 7,061 | | 2,082 |
| Renaissance | - | - | - | - | 300 | | | 300 |
| Republican Club | - | - | - | - | 432 | | | 432 |
| Robotics Team | - | 200 | - | 200 | | | | 200 |
| Science/Kelly, C. | - | 258 | 258 | - | 1,197 | | | 1,197 |
| Science/ Wood | - | - | - | - | 136 | | | 136 |
| Soccer/Middle School Boys | - | 872 | 530 | 342 | 972 | | | 1,314 |
| Soccer/Boys | - | 2,899 | 2,842 | 57 | 1,383 | | | 1,440 |
| Soccer/Girls | - | 3,816 | 3,376 | 440 | 537 | | | 977 |

(Continued)

Logan County School District
Statement of School Activity Funds (Continued)
Logan County High School

| <i>As of and for the Year Ended June 30, 2025</i> | Cash | Cash | Cash | Cash | Accounts | Accounts | Accounts | Fund Balance |
|---|---------------------|-------------------|----------------------|----------------------|-------------------|------------------|-------------------|----------------------|
| | July 1, 2024 | Receipts | Disbursements | June 30, 2025 | Receivable | Payable | Receivable | June 30, 2025 |
| | | | | | External | | | |
| Softball | - | 3,577 | 2,934 | 643 | 4,323 | - | - | 4,966 |
| Softball/Middle School | - | 3,297 | 3,297 | - | 1,268 | - | - | 1,268 |
| Start Up/Change Fund | - | 153 | 153 | - | - | - | - | - |
| Student Council | - | 2,288 | 2,288 | - | 559 | - | - | 559 |
| Stuff the Bus | - | - | - | - | - | - | - | - |
| Swim Team | - | 6,576 | 3,608 | 2,968 | 229 | - | - | 3,197 |
| Sweet Surprise | - | 147 | 147 | - | 280 | - | - | 280 |
| Technology | - | - | - | - | - | - | - | - |
| Tennis | - | 2,457 | 2,364 | 93 | 1,446 | - | - | 1,539 |
| Track | - | 461 | 461 | - | 1,717 | - | - | 1,717 |
| Travel Club | - | 22,411 | 22,411 | - | - | - | - | - |
| United Way | - | 298 | 298 | - | 1,262 | - | - | 1,262 |
| Vo. Ag. | - | 2,050 | 86 | 1,964 | 2,005 | 281 | - | 3,688 |
| Wrestling | - | 15,477 | 920 | 14,557 | - | 7,882 | - | 6,675 |
| Volleyball | 25,099 | 4,518 | 25,369 | 4,248 | - | - | - | 4,248 |
| Year Book | 38,317 | 8,554 | 43,317 | 3,554 | - | - | - | 3,554 |
| Transfers | | (137,139) | (137,139) | | | | | |
| Totals | \$ 214,552 | \$ 486,854 | \$ 452,519 | \$ 248,887 | \$ 98,774 | \$ 42,561 | \$ 605 | \$ 305,705 |

Logan County School District Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

| Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass- Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|--|---|---------------------------------------|-------------------------------|
| U.S. Department of Agriculture | | | | |
| Child Nutrition Cluster | | | | |
| Direct Program: | | | | |
| Food Distribution Program - noncash | 10.555 | -- | - | \$ 176,122 |
| Passed-Through State Department of Education: | | | | |
| School Breakfast Program | 10.553 | 7760005 | - | 889,871 |
| National School Lunch Program | 10.555 | 7750002 | - | 1,453,534 |
| Summer Food Service Program for Children | 10.559 | 7740023 | - | <u>30,188</u> |
| Subtotal | | | | 2,549,715 |
| Child and Adult Care Food Program | 10.558 | 7790021 | - | 2,382 |
| State Administrative Expenses for Child Nutrition | 10.560 | | - | 3,313 |
| Total U.S. Department of Agriculture | | | | 2,555,410 |
| U.S. Department of Defense | | | | |
| Direct Program: | | | | |
| ROTC - 2024 | 12.000 | 504L | - | 78,859 |
| Total U.S. Department of Defense | | | | 78,859 |
| U.S. Department of Education | | | | |
| Passed-Through State Department of Education: | | | | |
| Title I, Part A | | | | |
| Title I Grants to Local Educational Agencies - 2024 | 84.010 | 3100002 | - | 226,899 |
| Title I Grants to Local Educational Agencies - 2025 | 84.010 | 3100002 | - | <u>848,412</u> |
| Subtotal | | | | 1,075,311 |
| Migrant Education Basic State Grant | 84.011 | 3110002 | - | 101,349 |
| State Professional Development Grant Personnel MOA | 84.323 | 333L | - | 95,858 |
| Special Education Cluster | | | | |
| Special Education Grants to States - 2023 | 84.027 | 3810002 22 | - | 7,033 |
| Special Education Grants to States - 2024 | 84.027 | 3810002 23 | - | 159,007 |
| Special Education Grants to States - 2025 | 84.027 | 3810002 24 | - | 871,314 |
| Special Education Preschool Grants - 2024 | 84.173 | 3800002 23 | - | 6,407 |
| Special Education Preschool Grants - 2025 | 84.173 | 3800002 24 | - | <u>102,605</u> |
| Subtotal | | | | 1,146,366 |
| English Language Acquisition Grants - 2024 | 84.365 | 3300002 23 | - | 4,150 |
| English Language Acquisition Grants - 2025 | 84.365 | 3300002 24 | - | <u>21,068</u> |
| Subtotal | | | | 25,218 |
| Rural Education | | | | |
| Supporting Effective Instruction State Grant - 2024 | 84.358B | 3140002 | - | 55,189 |
| Supporting Effective Instruction State Grant - 2024 | 84.367 | 3230002 23 | - | 2,345 |
| Supporting Effective Instruction State Grant - 2025 | 84.367 | 3230002 24 | - | <u>115,204</u> |
| Subtotal | | | | 117,549 |
| Career and Technical Education - Basic Grants to States | | | | |
| - 2024 | 84.048 | 3710002 23 | - | 2,393 |
| Career and Technical Education - Basic Grants to States | | | | |
| - 2025 | 85.048 | 3710002 24 | - | <u>30,144</u> |
| Subtotal | | | | 32,537 |

(Continued)

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Logan County School District Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

| Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass- Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|--|--|---|---------------------------------------|-------------------------------|
| 21st Century Community Learning Centers Program - 2024 | 84.287 | | - | 62,860 |
| 21st Century Community Learning Centers Program - 2025 | 84.287 | | | <u>103,500</u> |
| Subtotal | | | | 166,360 |
| Student Support and Academic Enrichment Program - 2024 | 84.424A | 3420002 23 | - | 25,214 |
| Student Support and Academic Enrichment Program - 2025 | 84.424A | 3420002 24 | - | 40,595 |
| Passed-Through Green River Regional Education Cooperative: | | | | |
| Stronger Connections Grant Program | 84.424 | | | <u>118,943</u> |
| Subtotal | | | | 184,752 |
| Passed-Through State Department of Education: | | | | |
| COVID-19: Education Stabilization Fund | | | | |
| COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund | 84.425U | 473G | - | 52,720 |
| COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund | 84.425U | 563J | - | 3,262 |
| COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Homeless Children and Youth | 84.425W | 476IC | - | <u>882</u> |
| Subtotal | | | | 56,864 |
| Passed-Through Green River Regional Education School Safety National Activities | 84.184 | 534LN | - | 128,868 |
| Total U.S. Department of Education | | | | 3,186,221 |
| Total Expenditures of Federal Awards | | | | \$ 5,820,490 |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Logan County School District

Notes to the Schedule of Expenditures of Federal Awards

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of Logan County School District (the “District”) under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Non-monetary assistance is reported in the schedule at fair value of the goods received.

NOTE 3: INDIRECT COST RATE

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

NOTE 4: LOANS AND LOAN GUARANTEES

The District did not have any loans or loan guarantee programs required to be reported on the schedule.

NOTE 5: SUBRECIPIENTS

The District did not provide federal funds to subrecipients for the fiscal year ended June 30, 2025.

**Logan County School District
Summary Schedule of Prior Audit Findings**

No findings were reported in the June 30, 2024 audit.



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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
Logan County School District
Russellville, 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 as defined 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 Logan County School District (the “District”) as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 30, 2026.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 have not been 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in the *Independent Auditor's Contract – State Compliance Requirements*.

We noted certain matters that we reported to management of the District in a separate letter dated January 30, 2026.

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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Bowling Green, Kentucky
January 30, 2026



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**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
Logan County School District
Russellville, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Logan County School District's (the "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, 2025. 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, 2025.

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

We are required to be independent of 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 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 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Bowling Green, Kentucky
January 30, 2026

**Logan County School District
Schedule of Findings and Questioned Costs**

Section I — Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of Auditor’s report issued on compliance for major Federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a))? Yes None reported

**Logan County School District
Schedule of Findings and Questioned Costs**

Identification of major Federal programs:

| Federal Assistance Listing Numbers | Name of Federal Program or Cluster |
|---|---|
| 10.553 / 10.555/ 10.556/ 10.559 | Child Nutrition Cluster |

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

Auditee qualified as low-risk auditee? Yes No

Section II — Financial Statement Findings

None reported.

Section III — Federal Award Findings And Questioned Costs

None reported