Scott County School District

Financial Statements
With Supplementary Information
Year Ended June 30, 2025
With Independent Auditors' Report

SCOTT COUNTY SCHOOL DISTRICT

June 30, 2025

Table of Contents

	Page(s)
Independent Auditors' Report	1-3
Management's Discussion and Analysis (MD&A) – Unaudited	4-9
Basic Financial Statements:	
District Wide Financial Statements:	
Statement of Net Position - District Wide	10
Statement of Activities - District Wide	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	15
Statement of Net Position – Proprietary Funds	16
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	17
Statement of Cash Flows - Proprietary Funds	18
Statement of Net Position – Fiduciary Funds	19
Statement of Changes in Net Position – Fiduciary Funds	20
Notes to the Financial Statements	21-52

SCOTT COUNTY SCHOOL DISTRICT

June 30, 2025

Table of Contents (Continued)

	Page(s)
Required Supplementary Information and Other Information:	
Combining Statements - Nonmajor Funds	
Combining Balance Sheet - Nonmajor Governmental Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	55
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund	56
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Special Revenue Fund	57
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Construction Fund	58
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Building Fund	59
Statement of Receipts, Disbursements and Fund Balance – Bond and Interest Redemption Fund	60
Statement of Receipts, Disbursements and Fund Balance – Scott County High School Activity Fund	61
Statement of Receipts, Disbursements and Fund Balance – Great Crossing High School Activity Fund	62
Statement of Receipts, Disbursements and Fund Balance - School Activity Funds	63
Schedule of the District's Proportionate Share of the Net Pension Liability – TRS	64
Schedule of District Contributions – TRS	65
Schedule of the District's Proportionate Share of the Net Pension Liability – CERS	66
Schedule of District Contributions – CERS	67
Schedule of District's Proportionate Share of Net OPEB Liability – LIF	68
Schedule of District Contributions – LIF	69
Schedule of District's Proportionate Share of Net OPEB Liability – MIF	70
Schedule of District Contributions – MIF	71
Schedule of District's Proportionate Share of Net OPEB Liability – MIF (CERS)	72
Schedule of District Contributions – MIF (CERS)	73

SCOTT COUNTY SCHOOL DISTRICT

June 30, 2025

Table of Contents (Continued)

	Page(s)
Schedule of Expenditures of Federal Awards	74-75
Notes to the Schedule of Expenditures of Federal Awards	76
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	77-78
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	79-81
Schedule of Findings and Questioned Costs	82
Summary Schedule of Prior Year Findings and Questioned Costs	83
Management Letter Comments	84-87

BARNES DENNIG
Accounting • Tax • Business Insight

KENTUCKY OFFICE
2617 Legends Way
Crestview Hills, KY 41017
Main: 859.344.6400
Fax: 856.578.7522

Independent Auditors' Report

To the Members of the Board of Education
Scott County School District
Georgetown, Kentucky

Report on 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 Scott County School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Scott County School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Scott County School 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Scott County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Effect of Adopting New Accounting Standard

As discussed in Note 17 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, effective as of July 1, 2024. The implementation of this accounting standard resulted in a restatement of prior year net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Report
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Scott County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Scott County School District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on pages 4-9, 56-59, and 64-73 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditors' Report
(Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Scott County School District's basic financial statements. The information on pages 54-55, 60-63, and 74-76 as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The information on pages 54-55, 60-63, and 74-76 as listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 54-55, 60-63, and 74-76 as listed in the table of contents is 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 28, 2026 on our consideration of the Scott 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 Scott County School 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 Scott County School District's internal control over financial reporting and compliance.



Crestview Hills, Kentucky
January 28, 2026

SCOTT COUNTY SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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

FINANCIAL HIGHLIGHTS

The Scott County School District completed the 2024-2025 fiscal year in a position of financial readiness with the General Fund reflecting an ending fund balance of $31,198,905. Of the fund balance, the unassigned $24,039,462 is in addition to $5,662,174 in committed funds, and $1,497,269 in assigned funds.

Scott County Schools' K-12 average daily attendance totaled 9,049.899 students in the 2024-25 fiscal year. These students are housed in 17 schools including 1 career and technical school, 2 high schools, 3 middle schools, 9 elementary schools, 1 preschool and 1 Phoenix Horizon Community. Student attendance has been down since COVID 19, so the district has started an online learning academy that is a performance-based attendance model.

The General Fund recognized $82,905,391 in revenue consisting primarily of local property, occupational license, utilities, motor vehicle taxes and the state program (SEEK) allocation. An additional $27,544,065 representing payments made on the District's behalf, by the State, for teachers' retirement contribution, employees' health insurance and technology costs were recognized as revenue.

The District administered over $12 million in Federal, State and local grants and other programs during the year.

General Fund expenditures were $110,112,076. Salaries and related costs total $97,701,954 or 89% of the general operating expenditures. Included in this amount is $27,544,065 in retirement contribution, and employees' health insurance costs paid by the state on the District's behalf.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

The district-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

The district-wide financial statements can be found on pages 10 and 11 of this report.

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

The basic governmental fund financial statements can be found on pages 12 through 20 of this report.

***Notes to the financial statements*.** The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 52 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $64,167,770 as of June 30, 2025

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position for the years ending June 30, 2025 and 2024

The following is a summary of net position for the fiscal years ended June 30:

	2025	2024
Current assets	$ 79,439,962	$ 64,169,750
Noncurrent assets	363,394,827	350,289,601
Total assets	442,834,789	414,459,351
Deferred outflows	25,283,137	28,891,528
Current liabilities	22,904,689	23,065,914
Noncurrent liabilities	353,685,120	333,031,261
Total liabilities	376,589,809	356,097,175
Deferred inflows	27,360,347	33,481,148
Net position		
Investment in capital assets (net of debt)	51,333,605	60,765,390
Restricted	(3,002,649)	(21,264,363)
Unrestricted	15,836,814	14,271,529
Total net position	$ 64,167,770	$ 53,772,556

Comments on General Fund Budget Comparisons

- The District's total General Fund revenue for the fiscal year ended June 30, 2025, net of interfund transfers and sale of assets, was $110,999,720.
- General Fund budget compared to actual revenue varied slightly from line item to line item with the ending actual balance being $33,277,424 more than budget. This is a result of the District's occupational taxes, net profit tax and utility taxes receiving more revenue than budgeted. The district anticipated a lower collection based on COVID and the effect to local businesses. The final budget included $0 for "on behalf" payments made by the State not included in the original budget.
- The total cost of General Fund programs and services was $109,868,537 net of interfund transfers and debt service.

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- General Fund budget expenditures to actual varied significantly as a result of budgeted personnel cost were high due to sub cost and contracting services. Plant operation and maintenance variance included outstanding purchase order encumbrances, and utility costs more than budgeted. Other expenditure variance of $11,357,603 includes the budgeted reserve for contingency at June 30, 2025.

The following table presents a summary of revenues and expenses for the fiscal years ended June 30:

	2025	2024
Revenues		
Program revenues		
Charges for services	$ 2,174,379	$ 1,479,689
Operating grants	17,719,982	21,727,376
Capital grants	2,547,044	2,816,537
Total grant revenues	22,441,405	26,023,602
General Revenues		
Taxes	63,406,964	62,138,463
Grants and entitlements	78,869,714	75,589,107
Earnings on investments	2,304,914	3,906,951
Miscellaneous	1,351,497	(1,261,382)
Total general revenues	145,933,089	140,373,139
Total revenues	168,374,494	166,396,741
Expenses		
Instructional	84,084,295	79,911,999
Student support services	8,691,671	7,981,275
Staff support	7,301,191	7,213,715
District administration	5,035,753	4,841,650
School administration	7,376,074	6,462,207
Business support	2,341,975	2,322,168
Plant operations	13,042,048	10,826,455
Student transportation	7,436,893	7,103,870
Facility acquisition and construction	119,150	-
Food service operation	7,273,508	8,023,756
Day Care	771,659	720,356
Other	1,392,610	1,173,581
Interest on long-term debt	11,313,304	11,113,581
Total expenses	156,180,131	147,694,613
Excess of revenues over expenses	$ 12,194,363	$ 18,702,128

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

General Fund Revenue

The majority of revenue was derived from State SEEK Funds and State On Behalf 55% with local funding making up 45% of total revenue.

Analysis of balances and transactions of individual funds (in thousands)

Fund	Beginning	Revenues	Expenses	Other Financing	Ending
General	$28,070	$110,449	$110,112	$2,791	$31,199
Special revenue	-	12,039	12,112	73	-
Construction	24,109	1,574	20,242	32,530	37,970
Building	-	21,424	-	(21,424)	-

Capital Assets and Long-Term Debt Activity (in thousands)

	Beginning	Additions	Deductions	Ending
Governmental				
Capital assets	$463,623	$162,827	$142,142	$484,309
Accumulated depreciation	113,659	8,476	876	121,259
Business-type				
Capital assets	2,285	107	97	2,295
Accumulated depreciation	1,959	64	82	1,941
Bonds payable	289,420	31,315	9,160	311,575

BUDGETARY IMPLICATIONS

In Kentucky, the public schools fiscal year is July 1st – June 30th; other programs, i.e. some federal programs operate on a different fiscal calendar but are reflected in the district overall budget. The district's budget for 2025, completed the year with a budgeted General Fund Contingency Reserve of $11,343,621.

With a current K-12 average daily attendance of 9,049.899 students, Scott County School District has experienced a decrease in state funding due to the assessment growth. Because of the reduced state funding the district has depended on contingency and beginning balance carry forwards to maintain programs.

In the past, these costs have been offset by increases in state funding (SEEK), increases in business and residential property subject to local taxation, and increases in utility, occupational and net profits tax revenues. However, as with all Kentucky school districts, revenue from property tax is limited to a 4% annual growth on previous year existing property, without being subject to recall. The substantial growth in property assessments (9% increase from 2024 to 2025) subject to taxation has challenged the Board's ability to add facilities to meet current student enrollment growth. As of January 1, 2025, there were 25,191 total properties on the tax roll. Of those 5% assessed values decreased, 76% increased, 19% had no change in assessments. In 2025, the median property value in Scott County was $263,600. On January 10, 2017 the board passed a recallable nickel for building fund projects that has helped fund additional buildings to meet growth.

BUDGETARY IMPLICATIONS (CONTINUED)

On June 7, 2022 within the 2022-2023 SEEK forecast we learned of the matching of a portion of our fourth nickel. In 2022, the board passed the sale of bonds to build the new Scott County High Schools. Bonds were sold June 2022 and in May 2023 for phase 2. The new Scott County High School opened August 2024. The 2025 fiscal year the students were using this new facility. In May 2025 the district sold bonds for the construction of Elementary 10, Oxford Elementary School. The school plans to be open to students beginning the 2026-2027 school year.

Beginning in 2014-2015, we are required to record the portion of the unfunded State liability of the Kentucky Teachers Retirement System (KTRS) attributable to our employees, in our financial statements. A substantial percentage of this liability is the result of the State Legislature not making the necessary contributions to fully fund KTRS. It remains to be seen if districts, including our own, will be required to contribute more toward this KTRS liability.

These growth-related costs, along with the continuing need to increase student capacity, and limited state revenue growth, will continue to create budgetary challenges for the Scott County School District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to reflect the school district's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Superintendent, Billy Parker or Finance Officer, Gina Amos at (502) 863-3663 or by mail, to Scott County Public Schools, PO Box 578, Georgetown, Kentucky 40324.

SCOTT COUNTY SCHOOL DISTRICT

Statement of Net Position – District Wide
As of June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and cash equivalents	$ 73,840,060	$ 90,276	$ 73,930,336
Accounts receivable	5,399,511	18,630	5,418,141
Prepaids	382	-	382
Inventories for consumption	-	91,103	91,103
Total current	79,239,953	200,009	79,439,962
Noncurrent:			
Construction in progress	3,177,315	-	3,177,315
Nondepreciated capital assets:			
Land	9,258,174	-	9,258,174
Depreciated capital assets:			
Land improvements	7,356,374	-	7,356,374
Buildings and improvements	446,593,565	-	446,593,565
Furniture and equipment	17,923,118	2,291,938	20,215,056
Less: accumulated depreciation	(121,266,439)	(1,939,218)	(123,205,657)
Total noncurrent	363,042,107	352,720	363,394,827
Total assets	442,282,060	552,729	442,834,789
Deferred outflows	24,472,210	810,927	25,283,137
Liabilities and Net Position			
Liabilities			
Current:			
Current portion of bonds payable	10,495,000	-	10,495,000
Accounts payable	780,526	4,648	785,174
Accrued interest	3,434,551	-	3,434,551
Accrued compensated absences	1,179,218	-	1,179,218
Accrued payroll and related expenses	3,545,691	-	3,545,691
Unearned revenues	3,369,765	95,290	3,465,055
Total current	22,804,751	99,938	22,904,689
Noncurrent:			
Accrued compensated absences	2,408,750	-	2,408,750
CERS net pension liability	32,366,384	1,188,219	33,554,603
Net OPEB liability	13,284,795	487,705	13,772,500
Bond obligations	303,949,267	-	303,949,267
Total noncurrent	352,009,196	1,675,924	353,685,120
Total liabilities	374,813,947	1,775,862	376,589,809
Deferred inflows	26,391,476	968,871	27,360,347
Net Position			
Invested in capital assets, net of related debt	50,980,885	352,720	51,333,605
Restricted	(3,002,649)	-	(3,002,649)
Unrestricted	17,570,611	(1,733,797)	15,836,814
Total net position	$ 65,548,847	$ (1,381,077)	$ 64,167,770

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Activities – District Wide
Year Ended June 30, 2025

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (expense) Revenue and Changes in Net Position: Governmental Activities	Net (expense) Revenue and Changes in Net Position: Business-type Activities	Net (expense) Revenue and Changes in Net Position: Total
Governmental activities:							
Instructional	$ 84,084,295	$ -	$ 8,704,581	$ -	$ (75,379,714)	$ -	$ (75,379,714)
Student support services	8,691,671	-	208,346	-	(8,483,325)	-	(8,483,325)
Staff support services	7,301,191	-	1,516,477	-	(5,784,714)	-	(5,784,714)
District administration	5,035,753	-	-	-	(5,035,753)	-	(5,035,753)
School administration	7,376,074	-	101,235	-	(7,274,839)	-	(7,274,839)
Business support services	2,341,975	-	-	-	(2,341,975)	-	(2,341,975)
Plant operation and maintenance	13,042,048	-	121,454	-	(12,920,594)	-	(12,920,594)
Student transportation	7,436,893	-	201,060	-	(7,235,833)	-	(7,235,833)
Daycare operation	216,279	-	216,279	-	-	-	-
Community service operations	1,151,196	-	972,636	-	(178,560)	-	(178,560)
Facility acquisition and construction	119,150	-	-	2,547,044	2,427,894	-	2,427,894
Other	25,135	-	-	-	(25,135)	-	(25,135)
Interest on long-term debt	11,313,304	-	-	-	(11,313,304)	-	(11,313,304)
Total governmental activities	148,134,964	-	12,042,068	2,547,044	(133,545,852)	-	(133,545,852)
Business-type activities							
Food service	7,273,508	1,028,450	5,475,626	-	-	(769,432)	(769,432)
Daycare	771,659	1,145,929	202,288	-	-	576,558	576,558
Total business-type activities	8,045,167	2,174,379	5,677,914	-	-	(192,874)	(192,874)
Total school district	$ 156,180,131	$ 2,174,379	$ 17,719,982	$ 2,547,044	(133,545,852)	(192,874)	(133,738,726)
			General revenues:				
			Taxes		63,406,964	-	63,406,964
			State and federal sources		78,869,714	-	78,869,714
			Investment earnings		2,288,296	16,618	2,304,914
			Miscellaneous		1,364,606	-	1,364,606
			Special items:				
			Loss on disposal of fixed assets		(1,188)	(11,921)	(13,109)
			Fund transfer		(749,616)	749,616	-
			Total general revenues		145,178,776	754,313	145,933,089
			Change in net position		11,632,924	561,439	12,194,363
			Net position - beginning		55,715,072	(1,942,516)	53,772,556
			Net position adjustment - Note 17		(1,799,149)	-	(1,799,149)
			Net position - ending		$ 65,548,847	$ (1,381,077)	$ 64,167,770

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Activities – District Wide
Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Construction Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Current:						
Cash and cash equivalents	$ 32,643,363	$ 748,468	$ 38,612,003	$ -	$ 1,836,226	$ 73,840,060
Prepaids	382	-	-	-	-	382
Accounts receivable	4,621,888	777,623	-	-	-	5,399,511
Total assets	$ 37,265,633	$ 1,526,091	$ 38,612,003	$ -	$ 1,836,226	$ 79,239,953
Liabilities and Fund Balances						
Liabilities						
Current:						
Accounts payable	$ 107,752	$ 15,943	$ 641,917	$ -	$ 14,914	$ 780,526
Unearned revenue	1,859,617	1,510,148	-	-	-	3,369,765
Accrued payroll and related expenses	3,545,691	-	-	-	-	3,545,691
Total current liabilities	5,513,060	1,526,091	641,917	-	14,914	7,695,982
Total liabilities	5,513,060	1,526,091	641,917	-	14,914	7,695,982
Fund Balances						
Assigned:						
Purchase obligations	1,497,269	-	-	-	-	1,497,269
Other	-	-	-	-	54,010	54,010
Restricted:						
Capital projects	-	-	36,676,027	-	-	36,676,027
Other	-	-	1,294,059	-	1,767,302	3,061,361
Committed:						
Other	3,622,956	-	-	-	-	3,622,956
Sick Leave	934,192	-	-	-	-	934,192
Site-Based carryforward	1,105,026	-	-	-	-	1,105,026
Unassigned	24,593,130	-	-	-	-	24,593,130
Total fund balances	31,752,573	-	37,970,086	-	1,821,312	71,543,971
Total liabilities and fund balances	$ 37,265,633	$ 1,526,091	$ 38,612,003	$ -	$ 1,836,226	$ 79,239,953

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2025

Total governmental fund balance		$ 71,543,971
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Construction in process	3,177,315	
Cost of capital assets	481,131,231	
Accumulated depreciation	(121,266,439)	
		363,042,107
Deferred outflows		
Bond refinancing	2,383,045	
Related to CERS	5,699,935	
CERS contribution made after the measurement date	3,542,026	
Related to MIF	11,522,252	
MIF contribution made after the measurement date	1,324,952	
		24,472,210
Deferred inflows related to CERS	(5,766,152)	
Deferred inflows related to MIF	(20,625,324)	
		(26,391,476)
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 and premium/discount		(314,444,267)
Accrued interest on bonds		(3,434,551)
Lease liability		-
Capital leases		-
Net pension liability		(32,366,384)
Net OPEB liability		(13,284,795)
Accrued sick leave		(3,587,968)
Total net position - governmental		$ 65,548,847

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Construction Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 47,292,652	$ -	$ -	$ 16,114,312	$ -	$ 63,406,964
Earnings on investments	1,774,574	-	513,722	-	-	2,288,296
State sources	61,018,399	5,182,032	-	5,309,948	2,547,044	74,057,423
Federal sources	423,464	5,803,960	-	-	-	6,227,424
Other sources	490,631	1,056,076	1,060,000	-	2,218,446	4,825,153
Total revenues	110,999,720	12,042,068	1,573,722	21,424,260	4,765,490	150,805,260
Expenditures						
Instructional	63,872,899	8,777,814	-	-	2,270,172	74,920,885
Student support services	8,481,243	208,346	-	-	1,557	8,691,146
Staff support services	5,516,580	1,516,477	-	-	105,219	7,138,276
District administration	1,787,512	-	-	-	-	1,787,512
School administration	7,309,205	101,235	-	-	-	7,410,440
Business support services	2,180,851	-	-	-	-	2,180,851
Plant operation and maintenance	12,867,968	121,454	-	-	-	12,989,422
Student transportation	7,827,144	201,060	-	-	347	8,028,551
Central office	-	-	-	-	-	-
Day care operation	-	216,279	-	-	-	216,279
Food service operation	25,135	-	-	-	-	25,135
Community service operations	-	972,636	-	-	-	972,636
Facility acquisition and construction	-	-	20,063,569	-	-	20,063,569
Other items	-	-	-	-	-	-
Debt service:						
Principal	129,686	-	-	-	9,030,314	9,160,000
Interest	110,449	-	-	-	11,233,319	11,343,768
Other	-	-	178,560	-	-	178,560
Total expenditures	110,108,672	12,115,301	20,242,129	-	22,640,928	165,107,030
Excess (deficit) of revenues over expenditures	891,048	(73,233)	(18,668,407)	21,424,260	(17,875,438)	(14,301,770)
Other financing sources (uses)						
Loan and bond proceeds	-	-	31,315,000	-	-	31,315,000
Refunded bond	-	-	-	-	-	-
Bond premium	-	-	1,180,515	-	-	1,180,515
Bond discount	-	-	(88,191)	-	-	(88,191)
Gain on disposal of assets	29,149	-	-	-	-	29,149
Operating transfers in	4,306,361	179,018	122,512	-	18,716,535	23,324,426
Operating transfers out	(1,544,051)	(105,785)	-	(21,424,260)	(999,946)	(24,074,042)
Total other financing sources (uses)	2,791,459	73,233	32,529,836	(21,424,260)	17,716,589	31,686,857
Net change in fund balance	3,682,507	-	13,861,429	-	(158,849)	17,385,087
Fund balance, July 1, 2024	28,070,066	-	24,108,657	-	1,980,161	54,158,884
Fund balance, June 30, 2025	$ 31,752,573	$ -	$ 37,970,086	$ -	$ 1,821,312	$ 71,543,971

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

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

Net changes-governmental funds		$ 17,385,087
Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.		
Depreciation expense	(8,482,940)	
Capital outlays	21,591,503	
Retirement of capital assets	(30,337)	
		13,078,226
Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Bond principal paid		9,160,000
Bond proceeds		(31,315,000)
Issuance of bond premium		(1,180,515)
Amortization of bond premium		1,375,910
Amortization of bond discount		(292,750)
Amortization of bond refinancing		(372,847)
Deferred outflows related to pensions		(188,372)
Deferred outflows related to other post-employment benefits		(2,926,412)
Deferred inflows related to pensions		1,584,009
Deferred inflows related to other post-employment benefits		4,312,121
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		925,276
Changes in net position of governmental activities		$ 11,632,924

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Net Position – Proprietary Funds
As of June 30, 2025

	Food Service	Daycare Fund	Total
Assets			
Current			
Cash (overdraft) and cash equivalents	$ (1,153,285)	$ 1,243,561	$ 90,276
Accounts receivable	18,630	-	18,630
Inventories for consumption	91,103	-	91,103
Total current	(1,043,552)	1,243,561	200,009
Noncurrent			
Equipment	2,291,938	-	2,291,938
Less: accumulated depreciation	(1,939,218)	-	(1,939,218)
Total noncurrent	352,720	-	352,720
Total assets	(690,832)	1,243,561	552,729
Deferred outflows	654,866	156,061	810,927
Liabilities and Net Position			
Liabilities			
Current			
Accounts payable	4,319	329	4,648
Unearned revenue	95,290	-	95,290
Total current	99,609	329	99,938
Noncurrent			
CERS net pension liability	959,549	228,670	1,188,219
MIF net OPEB liability	393,847	93,858	487,705
Total noncurrent	1,353,396	322,528	1,675,924
Total liabilities	1,453,005	322,857	1,775,862
Deferred inflows	782,414	186,457	968,871
Net Position			
Invested in assets, net of debt	352,720	-	352,720
Restricted	(2,624,105)	890,308	(1,733,797)
Total net position	$ (2,271,385)	$ 890,308	$ (1,381,077)

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds
Year Ended June 30, 2025

	Food Service	Daycare Fund	Total
Operating revenues			
Lunchroom sales	$ 980,024	$ -	$ 980,024
Tuition and Fees	-	1,145,929	1,145,929
Other operating revenues	48,426	-	48,426
Total operating revenues	1,028,450	1,145,929	2,174,379
Operating expenses			
Salaries and benefits	3,042,875	714,841	3,757,716
Contract services	139,919	538	140,457
Materials and supplies	4,016,605	46,372	4,062,977
Depreciation	65,429	-	65,429
Other operating expenses	8,680	9,908	18,588
Total operating expenses	7,273,508	771,659	8,045,167
Operating income (loss)	(6,245,058)	374,270	(5,870,788)
Nonoperating revenues (expenses)			
Federal grants	4,699,977	-	4,699,977
State grants	530,762	202,288	733,050
Donated commodities and other donations	244,887	-	244,887
Transfers in	1,361,570	3,463	1,365,033
Transfers out	(200,000)	(415,417)	(615,417)
Loss on sale of capital assets	(11,921)	-	(11,921)
Interest income	10,887	5,731	16,618
Total nonoperating revenues	6,636,162	(203,935)	6,432,227
Change in net position	391,104	170,335	561,439
Total net position, July 1, 2024	(2,662,489)	719,973	(1,942,516)
Total net position, June 30, 2025	$ (2,271,385)	$ 890,308	$ (1,381,077)

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2025

	Food Service Fund	Daycare Fund	Total
Cash flows from operating activities			
Cash received from lunchroom sales	$ 980,024	$ -	$ 980,024
Cash received from tuition and fees	-	1,145,929	1,145,929
Cash received from other activities	69,964	-	69,964
Cash payments to employees for services	(3,188,571)	(727,090)	(3,915,661)
Cash payments to suppliers for goods and services	(4,130,405)	(58,964)	(4,189,369)
Cash transfers	1,161,570	(411,954)	749,616
Net cash used in operating activities	(5,107,418)	(52,079)	(5,159,497)
Cash flows from capital financing activities			
Purchase of capital assets	(104,350)	-	(104,350)
Net cash used in capital financing activities	(104,350)	-	(104,350)
Cash flows from noncapital financing activities			
Non-operating revenues received	5,475,626	202,288	5,677,914
Net cash provided by noncapital financing activities	5,475,626	202,288	5,677,914
Cash flows from investing activities			
Interest on investments	10,887	5,731	16,618
Net cash provided by investing activities	10,887	5,731	16,618
Net increase in cash and cash equivalents	274,745	155,940	430,685
Cash (overdraft) and cash equivalents - beginning	(1,428,030)	1,087,621	(340,409)
Cash (overdraft) and cash equivalents - ending	$ (1,153,285)	$ 1,243,561	$ 90,276
Reconciliation of operating income (loss) to net cash provided by used in operating activities			
Operating income (loss)	$ (6,245,058)	$ 374,270	$ (5,870,788)
Adjustments to reconcile operating income (loss) to net cash used in operating activities			
Depreciation	65,429	-	65,429
Transfers	1,161,570	(411,954)	749,616
Changes in assets and liabilities:			
Decrease in deferred outflows	106,009	14,751	120,760
Increase in deferred inflows	(192,308)	(32,363)	(224,671)
Decrease in CERS net pension liability	(2,763)	12,636	9,873
Decrease in net OPEB liability	(56,634)	(7,273)	(63,907)
Increase in accounts payable	(17,557)	(2,146)	(19,703)
Decrease in unearned revenue	460	-	460
(Increase) Decrease in accounts receivable	21,078	-	21,078
Decrease in inventories	52,356	-	52,356
Net cash used in operating activities	$ (5,107,418)	$ (52,079)	$ (5,159,497)
Schedule of non-cash transactions:			
Donated commodities received from federal government	$ 244,887	$ -	$ 244,887
On behalf payments	$ 479,225	$ 109,278	$ 588,503

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Net Position – Fiduciary Funds
As of June 30, 2025

	Trust Fund	Total
Assets		
Current		
Cash and cash equivalents	$ 36,783	$ 36,783
Accounts Receivable	8,896	8,896
Total current assets	45,679	45,679
Total assets	45,679	45,679
Liabilities and Net Position		
Net Position		
Restricted	45,679	45,679
Total net position	$ 45,679	$ 45,679

The accompanying notes are an integral part of these financial statements

SCOTT COUNTY SCHOOL DISTRICT

Statement of Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2025

	Trust Fund	Total
Additions		
Contributions	$ 18,119	$ 18,119
Total operating revenues	18,119	18,119
Deductions		
Community service operations	6,500	6,500
Total operating expenses	6,500	6,500
Change in net position	11,619	11,619
Total net position, July 1, 2024	34,060	34,060
Total net position, June 30, 2025	$ 45,679	$ 45,679

The accompanying notes are an integral part of these financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

Basis of Presentation

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

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

The District has the following funds:

I. Governmental Fund Types

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

(B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the schedule of expenditures of federal awards included in this report on pages 74-75. This is a major fund of the District.

(C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (Continued)

(E) The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.

(F) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.

2. The Facility Support Program of Kentucky Fund (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan. This is a major fund of the District.

3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of $37,970,086 for ongoing projects. This is a major fund of the District.

II. Debt Service Fund

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

III. Proprietary Fund (Enterprise Fund)

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

The Day Care Fund accounts for the daycare operations of the District. Amounts have been recorded for on-behalf payments for retirement and health insurance paid by the State of Kentucky.

IV. Fiduciary Fund Type (Agency and Trust Funds)
The Trust Fund is used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments. Revenues consist of donations and interest income. Expenditures represent scholarships.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

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

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

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

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

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

Taxes

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

The District prepares its budgets on the modified accrual basis of accounting, which is the same basis as used to prepare the statement of revenues, expenditures and changes in fund balances – governmental funds.

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Cash and Cash Equivalents

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

Inventories

Supplies and materials are charged to expenditures when purchased, except for inventories in the Proprietary Fund, which are capitalized at the lower of cost or market.

Capital Assets

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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	Governmental Activities Estimated Lives
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-10 years
General equipment	10 years
Food service equipment	10-12 years
Other	10 years

Accumulated Unpaid Compensated Absences

The District accrues a liability for compensated absences in accordance with GASB Statement No. 101, Compensated Absences. Under this standard, a liability is recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled, including termination payments.

Upon retirement from the school system, eligible employees may receive up to 30% of the value of accumulated compensated absences. The District estimates the liability for compensated absences based on historical usage patterns and the probability that earned leave will be used or paid, including both termination payments and leave expected to be used during employment.

The District has elected to apply the last-in, first-out (LIFO) method for determining which leave is expected to be used. Under this method, the most recently earned leave is assumed to be used first. This election affects the measurement of the liability by prioritizing the use of higher-rate leave when applicable.

The liability is measured using the pay rates in effect as of the financial statement date and includes salary-related payments directly and incrementally associated with compensated absences (e.g., payroll taxes). The entire compensated absence liability is reported in the district-wide financial statements.

This policy reflects the unified recognition and measurement framework introduced by GASB Statement No. 101 and supersedes prior guidance under GASB Statement No. 16.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

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

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

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

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

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

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

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

.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

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

Net Position

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

Operating Revenues and Expenses

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

Interfund Activity

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

Pensions

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

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

NOTE 2 ESTIMATES

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

NOTE 3 CASH AND CASH EQUIVALENTS

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

NOTE 4 CAPITAL ASSETS

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

Governmental Activities	Balance June 30, 2024	Additions	Deductions	Transfers	Balance June 30, 2025
Land	$ 9,258,174	$ -	$ -	$ -	$ 9,258,174
Land improvements	7,311,875	44,499	-	-	7,356,374
Buildings and improvements	305,466,958	141,207,320	80,713	-	446,593,565
Technology equipment	2,189,510	32,400	246,560	-	1,975,350
Vehicles	12,051,272	611,563	535,644	-	12,127,191
General equipment	3,262,659	601,109	43,191	-	3,820,577
Construction work in progress	124,082,703	20,330,319	141,235,707	-	3,177,315
Totals at historical cost	463,623,151	162,827,210	142,141,815	-	484,308,546
Less: accumulated depreciation					
Land improvements	4,579,230	289,009	-	-	4,868,239
Buildings and improvements	97,303,032	7,017,538	57,306	-	104,263,264
Technology equipment	1,588,939	228,520	239,630	-	1,577,829
Vehicles	8,047,181	770,441	535,644	-	8,281,978
General equipment	2,140,888	177,432	43,191	-	2,275,129
Total accumulated depreciation	113,659,270	8,482,940	875,771	-	121,266,439
Governmental activities capital assets - net	$ 349,963,881	$ 154,344,270	$ 141,266,044	$ -	$ 363,042,107
Business - Type Activities					
General equipment	$ 2,217,205	$ 104,350	$ 97,180	$ -	$ 2,224,375
Vehicles	40,629	-	-	-	40,629
Technology equipment	26,934	-	-	-	26,934
Totals at historical cost	2,284,768	104,350	97,180	-	2,291,938
Less: accumulated depreciation					
General equipment	1,909,196	62,510	85,259	-	1,886,447
Vehicles	34,792	2,919	-	-	37,711
Technology equipment	15,060	-	-	-	15,060
Total accumulated depreciation	1,959,048	65,429	85,259	-	1,939,218
Business - type activities capital assets - net	$ 325,720	$ 38,921	$ 11,921	$ -	$ 352,720

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense by function for the fiscal year ended June 30, 2025 was as follows:

	Governmental	Business-Type
Instruction	$ 4,193,962	$ -
Student support services	19,905	-
Staff support services	525	-
District administration	162,915	-
School administration	3,248,241	-
Business support services	10,133	-
Plant operation and maintenance	161,124	-
Student transportation	686,135	-
Food service	-	65,429
Total	$ 8,482,940	$ 65,429

NOTE 5 ACCUMULATED UNPAID SICK LEAVE BENEFITS

The District estimates the liability for compensated absences based on historical usage patterns and the probability that earned leave will be used or paid, including both termination payments and leave expected to be used during employment. At June 30, 2025, this amount totaled approximately $3,587,968.

NOTE 6 BONDED DEBT

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued.

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

Issue Date	Proceeds	Rates
March 1, 2013	8,000,000	2.000% - 3.000%
March 16, 2016	17,510,000	2.000% - 4.000%
August 25, 2016	17,290,000	1.000% - 3.000%
September 19, 2017	62,465,000	3.250% - 5.000%
May 17, 2018	20,650,000	3.000% - 5.000%
October 1, 2018	25,990,000	3.000% - 5.000%
May 21, 2019	7,000,000	3.000%
November 17, 2021	14,660,000	3.000% - 4.000%
July 18, 2022	103,560,000	4.000% - 5.000%
April 19, 2023	26,870,000	4.000% - 5.000%
May 22, 2024	5,130,000	4.125% - 5.000%
May 14, 2025	31,315,000	4.250% - 5.000%

NOTE 6 BONDED DEBT (CONTINUED)

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

The District entered into "participation agreements" with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 16 sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2025 for debt service (principal and interest) are reported in Note 16.

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

NOTE 7 RETIREMENT PLANS

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

General information about the County Employees Retirement System Non-Hazardous

Plan description

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Benefits provided

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

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

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

If the surviving spouse remarries, the monthly rate will be recalculated to 25% of the decedent's monthly average. Any dependent child will receive 50% of the decedent's monthly average rate of pay up to 75% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Contributions

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

	Required contribution
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The contribution requirement for CERS for the year ended June 30, 2025, was $4,747,770, which consisted of $3,672,060 from the District and $1,075,709 from the employees. District contributions for the year ended June 30, 2024 and 2023 were $5,131,117 and $3,685,265, respectively. The contributions have been contributed in full for fiscal years 2025, 2024 and 2023.

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

Plan description

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

Benefits provided

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

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

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. New employees hired after July 1, 2008 but before December 31, 2021 with less than 10 years of service will receive monthly benefits equal to 1.7% of their final average salary for each year of service. New employees hired between July 1, 2008 and December 31, 2021 with between 10 to 20 years of service will receive monthly benefits equal to 2% of their final average salary for each year of service. New employees hired between July 1, 2008 and December 31, 2021 with between 20 to 26 years of service will receive monthly benefits equal to 2.3% of their final average salary for each year of service. Lastly, new employees hired between July 1, 2008 and December 31, 2021 with between 26 to 30 years of service will receive monthly benefits equal to 2.2% of their final average salary for each year of service. Effective January 1, 2022, the System has been amended to change the benefit structure for employees hired on or after that date.

NOTE 7 RETIREMENT PLANS (CONTINUED)

Benefits Provided (Continued)

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

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

Contributions

Contribution rates are established by Kentucky Revised Statutes. Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to TRS. The contribution requirement for TRS for the year ended June 30, 2025, was $9,127,907, which consisted of $2,078,458 from the District and $7,049,449 from the employees. Total contributions for the year ended June 30, 2024, and 2023 were $8,495,308 and $9,088,831, respectively. The contributions have been contributed in full for fiscal years 2025, 2024 and 2023.

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

Medical Insurance Plan

Plan description

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

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

Funding policy

In order to fund the post-retirement healthcare benefit, 6.59% of the gross annual payroll of employees before July 1, 2008 is contributed. 3.75% is paid by member contributions, 0.16% is credited to the Commonwealth, and 3.00% is contributed by the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

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

District's proportionate share of the CERS net pension liability	$ 33,554,603
Commonwealth's proportionate share of the TRS net pension liability associated with the District	211,531,673
	$ 245,086,276

The net pension liability for each plan 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 that date.

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2024, the District's proportion was 0.561074%.

NOTE 7 RETIREMENT PLANS (CONTINUED)

For the year ended June 30, 2024, the District recognized a reduction in pension expense of $1,144,328 related to CERS and pension expense of $12,117,903 related for TRS support provided by the Commonwealth. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,624,104	$ -
Net difference between projected and actual earnings on pension plan investments	2,304,447	4,461,827
Changes of assumptions	-	1,516,009
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,980,637	-
District contributions subsequent to the measurement date	3,672,060	-
Total	$ 9,581,248	$ 5,977,836

$3,672,060 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ (80,637)
2027	1,322,105
2028	(829,322)
2029	(480,794)
2030	-

NOTE 7 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions

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

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

For CERS, mortality rates used for active members was PUB-2010 General Mortality table projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. The mortality table based on a 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 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.

For TRS, mortality rates were based on Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each groups: service, retirees, contingent annuitants, disabled retirees, and active members. The actuarial assumptions used were based on the results of an actuarial experience study for the 6-year period ending June 30, 2020, adopted by the board on September 10, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2018 through 2022, is outlined in a report dated May 9, 2023. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

NOTE 7 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

Asset Class	TRS Target Allocation	TRS Long-Term Expected Real Rate of Return	CERS Target Allocation	CERS Long-Term Expected Real Rate of Return
US equity	38.0%	5.25%	50.0%	4.15%
Developed international equity	15.7%	5.50%		
Emerging markets equity	5.3%	6.10%		
Core bonds			10.0%	9.10%
Private equity	7.0%	8.00%	10.0%	2.85%
Fixed income	15.0%	1.90%		
Specialty Income			10.0%	3.82%
High yield	2.0%	3.80%		
Additional categories	8.0%	3.60%		
Real estate	7.0%	3.20%	7.0%	4.90%
Real return			13.0%	5.35%
Cash	2.0%	1.60%	0.0%	1.70%
Total	100%		100%	

Discount rate

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

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

NOTE 7 RETIREMENT PLANS (CONTINUED)

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

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

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	$ 43,257,366	$ 33,554,603	$ 25,503,866
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

Pension plan fiduciary net position

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

NOTE 8 OPEB PLANS

General information about the Teachers' Retirement System OPEB Plan

Plan description

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

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

NOTE 8 OPEB PLANS (CONTINUED)

Medical Insurance Plan

Plan description

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

Benefits provided

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

Contributions

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

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

Plan description

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

NOTE 8 OPEB PLANS (CONTINUED)

Benefits provided

CERS provides health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date. See Note 7 for tier classifications.

Contributions

Required contributions by the employee are based on the tier disclosed in Note 7.

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

At June 30, 2025, the Scott County School District reported a liability of $13,772,500 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 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 to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2024 and 2023, the District's proportion was 0.7% and 0.7% for TRS, and 0.56% and 0.52% for CERS.

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

District's proportionate share of the CERS net OPEB liability	$ (971,500)
District's proportionate share of the TRS net OPEB liability	14,744,000
State's proportionate share of the net OPEB liability associated with the District	13,135,000
	$ 26,907,500

For the year ended June 30, 2025, the District recognized a reduction in OPEB expense of $6,178,039 and revenue of $1,223,684 for support provided by the State.

NOTE 8 OPEB PLANS (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 538,977	$ 12,071,789
Net difference between projected and actual earnings on OPEB plan investments	853,973	2,213,524
Change of Assumptions	4,635,296	685,496
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,917,005	6,411,702
District contributions subsequent to the measurement date	1,373,593	-
Total	$ 13,318,844	$ 21,382,511

Of the total amount reported as deferred outflows of resources related to OPEB, $1,373,593 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:

Year ended June 30:	
2026	$ (3,646,796)
2027	(2,077,392)
2028	(2,099,811)
2029	(867,261)
2030	(747,000)
Thereafter	1,000

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

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

	TRS	CERS
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.	6.50%
Projected salary increases	3.00 - 7.50%, including inflation	3.30% to 10.30%, varies by service
Inflation rate	2.50%	2.50%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Medical Trend	6.50% for FY 2023 decreasing to an ultimate rate of 4.50% by FY 2031	
Under 65		Initial trend starting at 7.10% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.
Ages 65 and Older		Initial trend starting at 8.00% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years
Medicare Part B Premiums	5.92% for FY 2024 with an ultimate rate of 4.50% by 2034	
Municipal Bond Index Rate	3.94%	3.97%
Discount Rate	7.10%	5.99%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation	

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

For CERS, mortality rates used for active members was PUB-2010 General Mortality table projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. For non-disabled retired members and beneficiaries, the mortality bale used is the system specific mortality table based on mortality experience 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. For disabled retired members, the mortality table used is the PUB-2010 Disabled Mortality table, 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.

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

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

NOTE 8 OPEB PLANS (CONTINUED)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
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%	

The target allocation for the medical insurance plan is the same as the target allocation for the CERS pension plan in Note 7

Discount rate

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

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

NOTE 8 OPEB PLANS (CONTINUED)

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
TRS			
District's net OPEB liability	$ 19,588,000	$ 14,744,000	$ 10,730,000

	1% Decrease (4.99%)	Current Discount Rate (5.93%)	1% Increase (6.99%)
CERS			
District's net OPEB liability	$ 1,313,577	$ (971,500)	$ (2,892,797)

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

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

	1% Decrease	Current Trend Rate	1% Increase
TRS			
District's net OPEB liability	$ 9,960,000	$ 14,744,000	$ 20,689,000

	1% Decrease	Current Trend Rate	1% Increase
CERS			
District's net OPEB liability	$ (2,337,311)	$ (971,500)	$ 619,573

OPEB plan fiduciary net position

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

NOTE 8 OPEB PLANS (CONTINUED)

Life Insurance Plan

Plan description

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

Benefits provided

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

Contributions

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

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

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

District's proportionate share of the net OPEB liability	$ -
State's proportionate share of the net OPEB liability associated with the District	300,000
	$ 300,000

For the year ended June 30, 2025, the District recognized OPEB expense of $-0- and revenue of $36,629 for support provided by the State.

NOTE 8 OPEB PLANS (CONTINUED)

Actuarial assumptions

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

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including 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 Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2023 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

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

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

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

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

NOTE 8 OPEB PLANS (CONTINUED)

Discount rate

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's net OPEB liability	$ -	$ -	$ -

OPEB plan fiduciary net position

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

NOTE 9 CONTINGENCIES

Grant Fund Approval

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 the programs.

NOTE 10 INSURANCE AND RELATED ACTIVITIES

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

NOTE 11 RISK MANAGEMENT

The District is self-insured for unemployment insurance benefits. The District purchases workers' compensation insurance through Kentucky Employer's Mutual Insurance. 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 DEFICIT OPERATING/FUND BALANCES

The food service fund currently has a negative fund balance. Additionally, the following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Stamping Ground Elementary	$	5,948
Phoenix Horizon		2,353
Elkhorn Crossing		640
Royal Spring Middle		4,585
Scott County Middle		4,585
District Activity Fund		243,522

NOTE 13 COBRA

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

NOTE 14 TRANSFER OF FUNDS

The following transfers were made during the year.

From Fund	To Fund	Purpose	Amount
General Fund	Special Revenue Fund	KETS	$ 179,018
Special Revenue Fund	General Fund	Indirect Costs	105,785
Capital Outlay Fund	General Fund	Capital Funds Reqeust	884,569
Building Fund	General Fund	Capital Funds Reqeust	2,700,590
Food Service	General Fund	Indirect Costs	200,000
Enterprise Fund	General Fund	Instructional Staff	415,417
General Fund	Food Service	Food Service Deficit	1,361,570
General Fund	Enterprise Fund	Unused Funds	3,463
Disctrict Activity Fund	Student Activity Fund	Interschool Purchases	33,540
Building Fund	Construction Fund	BG Funding	122,512
Building Fund	Debt Service Fund	Debt Service	18,601,158
Student Activity Fund	Disctrict Activity Fund	Interschool Purchases	81,837

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2025, total payments of $29,795,042 were made for life insurance, health insurance, TRS matching, technology and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

General Fund	$ 27,544,065
Debt Service	1,662,474
Day Care	109,278
Food Service	479,225
Total On-Behalf	$ 29,795,042

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

FISCAL YEAR	Scott County School District			KY School Facilities Construction Commission			
	Principal	Interest	Total	Principal	Interest	Total	Requirements
2025-2026	$ 9,064,314	$ 7,581,691	$ 16,646,005	$ 1,430,686	$ 4,931,386	$ 6,362,072	$ 23,008,077
2026-2027	9,472,880	7,182,341	16,655,221	1,492,120	4,868,434	6,360,554	23,015,775
2027-2028	9,810,380	6,800,554	16,610,934	1,424,620	4,805,753	6,230,373	22,841,307
2028-2029	10,211,220	6,412,111	16,623,331	1,478,780	4,747,844	6,226,624	22,849,955
2029-2030	9,715,678	5,990,473	15,706,151	2,349,322	4,666,358	7,015,680	22,721,831
2030-2031	10,089,677	5,626,802	15,716,479	2,450,323	4,565,486	7,015,809	22,732,288
2031-2032	10,592,279	5,234,214	15,826,493	2,457,721	4,461,841	6,919,562	22,746,055
2032-2033	11,799,842	4,762,245	16,562,087	1,545,158	4,375,854	5,921,012	22,483,099
2033-2034	12,230,706	4,347,323	16,578,029	1,259,294	4,314,552	5,573,846	22,151,875
2034-2035	12,643,219	3,931,905	16,575,124	1,331,781	4,260,316	5,592,097	22,167,221
2035-2036	13,104,470	3,485,424	16,589,894	1,385,530	4,204,582	5,590,112	22,180,006
2036-2037	13,484,645	3,017,302	16,501,947	1,445,355	4,148,019	5,593,374	22,095,321
2037-2038	13,971,545	2,538,909	16,510,454	1,383,455	4,090,647	5,474,102	21,984,556
2038-2039	11,373,589	2,035,244	13,408,833	4,191,411	3,968,105	8,159,516	21,568,349
2039-2040	2,807,465	1,766,386	4,573,851	12,952,535	3,550,601	16,503,136	21,076,988
2040-2041	2,589,634	1,646,067	4,235,701	13,615,366	2,886,770	16,502,136	20,737,838
2041-2042	2,702,121	1,533,704	4,235,825	14,312,879	2,188,883	16,501,762	20,737,588
2042-2043	6,852,326	1,419,156	8,271,482	10,767,674	1,615,757	12,383,431	20,654,913
2043-2044	7,015,486	1,124,753	8,140,239	11,209,514	1,175,910	12,385,424	20,525,663
2044-2045	4,662,737	820,174	5,482,911	11,667,263	718,058	12,385,321	17,868,231
2045-2046	3,130,000	621,231	3,751,231	12,075,000	241,500	12,316,500	16,067,731
2046-2047	12,025,000	496,031	12,521,031	-	-	-	12,521,031
	$ 199,349,213	$ 78,374,042	$ 277,723,255	$ 112,225,787	$ 74,786,654	$ 187,012,441	$ 464,735,696

A summary of the changes in the principal of the outstanding bond obligations, capital leases and sick leave accrual for the District during the year ended June 30, 2025 is as follows:

Governmental Activities	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Bond Obligations	$ 289,420,000	$ 31,315,000	$ 9,160,000	$ 311,575,000
Bond Premium	$ 5,150,993 *	$ 1,180,515	$ 1,375,910	$ 4,955,598
Bond Discount	$ (2,290,890) *	$ (88,191)	$ (292,750)	$ (2,086,331)
Sick Leave	$ 3,335,248	$ 559,552	$ 306,832	$ 3,587,968

* Presentation was updated to show premiums and discounts gross vs net

NOTE 17 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2024, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences,* as it relates to the measurement and recognition of accrued compensated absences. GASB 101 required retrospective application. Since the District only presents one year of financial information, the beginning net position balance was adjusted to reflect the retrospective application. The adjustment resulted in a $1,799,149 reduction to the beginning net position on the Statement of Activities – District Wide.

NOTE 18 SUBSEQUENT EVENTS

Subsequent events were considered through January 28, 2026, which represents the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCOTT COUNTY SCHOOL DISTRICT

Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2025

	Capital Outlay Fund	District Activity Fund	School Activity Fund	Debt Service Fund	Total Nonmajor Government Funds
Assets					
Current:					
Cash and cash equivalents	$ -	$ 769,804	$ 1,062,103	$ 4,319	$ 1,836,226
Accounts receivable	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Total current	$ -	$ 769,804	$ 1,062,103	$ 4,319	$ 1,836,226
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ -	$ 9,573	$ 5,341	-	$ 14,914
Total liabilities	-	9,573	5,341	-	14,914
Fund Balances:					
Restricted:					
Other	-	712,929	1,050,054	4,319	1,767,302
Assigned	-	47,302	6,708	-	54,010
Total fund balances	-	760,231	1,056,762	4,319	1,821,312
Total liabilities and fund balances	$ -	$ 769,804	$ 1,062,103	$ 4,319	$ 1,836,226

SCOTT COUNTY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended June 30, 2025

	Capital Outlay Fund	District Activity Fund	School Activity Fund	Debt Service Fund	Total Nonmajor Government Funds
Revenues:					
State sources	$ 884,569	$ -	$ -	$ 1,662,475	$ 2,547,044
Earnings on Investments	-	-	-	-	-
Other sources	-	822,381	1,396,065	-	2,218,446
Total revenues	884,569	822,381	1,396,065	1,662,475	4,765,490
Expenditures:					
Instructional	-	912,349	1,357,823	-	2,270,172
Student support services	-	1,517	40	-	1,557
Staff support services	-	103,393	1,826	-	105,219
Student transportation	-	347	-	-	347
Debt service:					
Principal	-	-	-	9,030,314	9,030,314
Interest	-	-	-	11,233,319	11,233,319
Total expenditures	-	1,017,606	1,359,689	20,263,633	22,640,928
Excess (deficit) of revenues over expenditures	884,569	(195,225)	36,376	(18,601,158)	(17,875,438)
Other Financing Sources (Uses)					
Operating transfers in	-	33,540	81,837	18,601,158	18,716,535
Operating transfers out	(884,569)	(81,837)	(33,540)	-	(999,946)
Total other financing sources(uses)	(884,569)	(48,297)	48,297	18,601,158	17,716,589
Net change in fund balance	-	(243,522)	84,673	-	(158,849)
Fund balance, July 1, 2024	-	1,003,753	972,089	4,319	1,980,161
Fund balance, June 30, 2025	$ -	$ 760,231	$ 1,056,762	$ 4,319	$ 1,821,312

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 42,639,989	$ 42,639,989	$ 47,292,652	$ 4,652,663
Earnings on investments	1,300,000	1,300,000	1,774,574	474,574
State sources	32,175,155	33,353,340	61,018,399	27,665,059
Federal sources	250,000	250,000	423,464	173,464
Other sources	513,901	4,514,477	4,826,141	311,664
Total revenues	76,879,045	82,057,806	115,335,230	33,277,424
Expenditures				
Instructional	53,113,783	56,204,610	63,872,899	(7,668,289)
Student support services	6,158,802	6,160,671	8,481,243	(2,320,572)
Staff support services	4,213,847	4,785,102	5,516,580	(731,478)
District administration	1,647,164	1,647,164	1,787,512	(140,348)
School administration	6,171,976	5,454,690	7,309,205	(1,854,515)
Business support services	1,518,798	1,518,798	2,180,851	(662,053)
Plant operation and maintenance	9,251,061	10,281,512	12,867,968	(2,586,456)
Student transportation	5,155,754	6,541,076	7,827,144	(1,286,068)
Food service operation	1,454	1,454	25,135	(23,681)
Other	13,284,907	13,141,789	1,784,186	11,357,603
Total expenditures	100,517,546	105,736,866	111,652,723	(5,915,857)
Net change in fund balance	(23,638,501)	(23,679,060)	3,682,507	27,361,567
Fund balance, July 1, 2024	23,638,501	23,679,060	28,070,066	4,391,006
Fund balance, June 30, 2025	$ -	$ -	$ 31,752,573	$ 31,752,573

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
State sources	$ 4,694,887	$ 4,985,222	$ 5,182,032	$ 196,810
Federal sources	5,136,163	5,287,700	5,803,960	516,260
Other sources	251,300	1,171,520	1,235,094	63,574
Total revenues	10,082,350	11,444,442	12,221,086	776,644
Expenditures				
Instructional	7,187,963	7,960,401	8,777,814	(817,413)
Student support services	285,122	294,897	208,346	86,551
Staff support services	1,218,091	1,513,999	1,516,477	(2,478)
District administration	-	-	-	-
School administration	98,765	98,765	101,235	(2,470)
Plant operation and maintenance	114,742	114,742	121,454	(6,712)
Student transportation	243,877	243,878	201,060	42,818
Daycare operation	-	-	216,279	(216,279)
Food service operation	-	-	-	-
Community service operations	853,890	1,077,630	972,636	104,994
Other	79,900	140,130	105,785	34,345
Total expenditures	10,082,350	11,444,442	12,221,086	(776,644)
Net change in fund balance	-	-	-	-
Fund balance, July 1, 2024	-	-	-	-
Fund balance, June 30, 2025	$ -	$ -	$ -	$ -

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Other sources	$ -	$ 32,618,027	$ 34,103,558	$ 1,485,531
Total revenues	-	32,618,027	34,103,558	1,485,531
Expenditures				
Facilities Acquisition and Construction	-	32,618,027	20,063,569	12,554,458
Total expenditures	-	32,618,027	20,242,129	12,375,898
Net change in fund balance	-	-	13,861,429	13,861,429
Fund balance, July 1, 2024	-	-	24,108,657	24,108,657
Fund balance, June 30, 2025	$ -	$ -	$ 37,970,086	$ 37,970,086

SCOTT COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Building Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 16,460,228	$ 16,114,312	$ 16,114,312	$ -
State sources	5,546,245	5,309,948	5,309,948	-
Total revenues	22,006,473	21,424,260	21,424,260	-
Expenditures				
Facilities Acquisition and Construction	3,405,315	-	-	-
Other	18,601,158	21,424,260	21,424,260	-
Total expenditures	22,006,473	21,424,260	21,424,260	-
Net change in fund balance	-	-	-	-
Fund balance, July 1, 2024	-	-	-	-
Fund balance, June 30, 2025	$ -	$ -	$ -	$ -

SCOTT COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Bond and Interest Redemption Fund
For the Year Ended June 30, 2025

	Issue of 2013	Issue of 2013B	Issue of 2016	Issue of 2016B	Issue of 2017	Issue of 2018	Issue of 2018B
Cash at July 1, 2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:							
Transfers and miscellaneous deposits	429,715	5,110,050	1,061,650	1,041,800	2,145,344	1,381,894	1,622,294
Disbursements:							
Bonds paid	270,000	4,890,000	625,000	430,000	375,000	790,000	780,000
Interest coupons	159,715	220,050	436,650	611,800	1,770,344	591,894	842,294
Total disbursements	429,715	5,110,050	1,061,650	1,041,800	2,145,344	1,381,894	1,622,294
Excess of receipts over disbursements	-	-	-	-	-	-	-
Cash at June 30, 2025	-	-	-	-	-	-	-
Fund Balance at June 30, 2025	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Issue of 2019	Issue of 2019E	Issue of 2021 - Ref	Issue of 2022	Issue of 2023	Issue of 2024	Total
Cash at July 1, 2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:							
Transfers and miscellaneous deposits	235,449	193,201	714,400	5,058,400	1,126,881	382,690	20,357,222
Disbursements:							
Bonds paid	125,000	125,000	145,000	400,000	35,000	170,000	9,160,000
Interest coupons	110,449	68,201	569,400	4,658,400	1,091,881	212,690	11,343,768
Total disbursements	235,449	193,201	714,400	5,058,400	1,126,881	382,690	20,503,768
Excess of receipts over disbursements	-	-	-	-	-	-	-
Cash at June 30, 2025	-	-	-	-	-	-	-
Fund Balance at June 30, 2025	$ -	$ -	$ -	$ -	$ -	$ -	$ -

SCOTT COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Scott County High School Activity Fund
Year Ended June 30, 2025

Account #		Fund Balance July 1, 2024	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance June 30, 2025
7302S	Academic Team	$ 596	$ 475	$ 465	$ -	$ -	$ 606
7015S	AP Club	2	255	257	-	-	-
7501S	Archery	6,062	7,490	8,171	-	-	5,381
7500S	Baseball	5,368	12,172	7,571	-	2,100	7,869
7506S	Bass Fishing	3,729	-	-	-	-	3,729
7303S	Beta Club	4,483	2,595	3,181	-	-	3,897
7510S	Bowling	4,068	801	724	-	-	4,145
7502S	Boys Basketball	3,019	45,732	38,707	-	3,751	6,293
7513S	Boys Golf	766	-	700	-	-	66
7516S	Boys Lacrosse	4,414	2,206	6,604	-	-	16
7517S	Boys Soccer	7,750	12,135	17,769	-	-	2,116
7525S	Boys Tennis	6	792	396	-	-	402
7529S	Boys Track	8,006	1,679	2,465	-	-	7,220
7444S	Business	1,678	-	-	-	1,678	-
7507S	Cheer	81	3,043	498	-	-	2,626
7018S	Choral	3,493	13,033	10,598	-	-	5,928
7558S	Corporate Sponsors	-	1,841	1,841	-	-	-
7509S	Cross County	2,218	1,367	3,384	-	-	201
7335S	Culinary	1,938	-	(1,108)	-	-	3,046
7534S	Dance Team	726	4,425	5,022	-	-	129
7343S	Deca Club	18,719	24,710	6,966	-	-	36,463
7308S	Drama Club	12,449	16,448	12,257	-	-	16,640
7344S	Enviro Club	10	-	-	-	-	10
7535S	Esports	203	1,000	184	-	500	519
7399S	Faculty Vending	4,776	2,403	1,894	-	-	5,285
7321S	FCCLA	1,883	5,709	3,958	-	-	3,634
7424S	FFA	1,685	13,002	14,149	-	-	538
7511S	Football	8,228	112,272	107,591	-	10,375	2,534
7514S	FRC	6,415	2,500	520	-	-	8,395
7520S	General Athletics	14,821	26,904	16,978	-	11,500	13,247
7100S	General Fund	50,328	17,961	12,224	-	-	56,065
7504S	Girls Basketball	580	11,010	9,547	-	-	2,043
7515S	Girls Golf	1,013	20	-	-	-	1,033
7518S	Girls Lacrosse	50	4,651	3,781	-	-	920
7519S	Girls Soccer	2,885	4,500	3,350	-	-	4,035
7527S	Girls Tennis	448	1,132	600	-	-	980
7531S	Girls Track	9,536	1,519	1,602	-	-	9,453
7538S	Girls Wrestling	190	890	-	-	-	1,080
7316S	Graduation	2,755	1,460	1,976	-	-	2,239
7322S	GSA	172	-	-	-	-	172
7336S	Hospitality Acct.	1,201	305	136	-	-	1,370
7309S	JAG	1	9,943	9,064	-	-	880
7307S	Japanese Club	823	-	-	-	-	823
7348S	Key Club	759	400	205	-	-	954
7117S	Law Enforcement	369	-	-	-	-	369
7011S	Library	427	1,757	1,826	-	-	358
7323S	National Honor Society	213	515	643	-	-	85
	Pep Club	1,046	-	-	-	-	1,046
7581S	Post Season B	-	4,497	4,497	-	-	-
7315S	Prom	16,643	17,520	12,531	-	-	21,632
7521S	Softball	4,364	14,183	6,588	-	2,100	9,859
7536S	Start Up Cash	-	8,000	8,000	-	-	-
7331S	Student Council	7,036	15,872	15,704	-	-	7,204
7523S	Swimming	865	15	744	-	-	136
7552S	Toyota Classic	1	22,829	6,818	-	16,012	-
7508S	Trap Shooting	179	20	-	-	-	199
7533S	Volleyball	7,118	5,956	9,073	-	-	4,001
7512S	Wrestling	2,144	13,895	8,785	-	-	7,254
7320S	Y Club	464	20,557	20,941	-	-	80
7304S	Yearbook	1,021	85	50	-	-	1,056
	Total	$ 240,222	$ 494,481	$ 410,427	$ -	$ 48,016	$ 276,261

SCOTT COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Great Crossing High School Activity Fund
Year Ended June 30, 2025

	Fund Balance July 1, 2024	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance June 30, 2025
Academic Team	$ 255	$ 375	$ 238	$ -	$ -	$ 392
Archery	1,942	9,510	8,791	-	-	2,661
Art	286	-	(8)	-	-	294
Band	8,309	9,610	11,711	-	-	6,208
Baseball	4,834	9,248	9,940	3,100	-	7,242
Bass Fishing	3,928	-	-	-	-	3,928
Beta Club	3,698	3,180	3,322	-	-	3,556
Bowling	1,042	1,486	1,077	-	-	1,451
Boys Basketball	26,722	40,365	40,790	8,500	-	34,797
Boys Golf	187	70	108	-	-	149
Boys Soccer	4,275	11,415	13,661	-	-	2,029
Boys Tennis	20	1,950	1,642	-	-	328
Boys Track	10,547	10,373	11,412	500	-	10,008
Cheer	1,138	570	1,051	-	-	657
Chorus	9,185	7,582	10,261	-	-	6,506
Corporate Sponsors	525	-	-	-	-	525
Cross County	660	100	267	-	-	493
Dance Blue Club	-	19,990	17,360	-	-	2,630
Dance Team	1,291	610	1,459	-	-	442
Drama	23,330	8,628	6,913	-	-	25,045
Esports	1,676	1,534	2,677	500	-	1,033
Faculty Vending	3,028	2,177	1,662	-	-	3,543
FCCLA	1,690	5,442	3,259	-	-	3,873
FFA	1,251	29,134	30,030	2,500	-	2,855
Football	3,568	22,180	20,391	-	-	5,357
FRC	7,953	-	370	-	-	7,583
General Athletics	8,745	9,348	22,128	13,400	-	9,365
General Fund	19,706	17,544	18,005	-	-	19,245
Girls Basketball	9,676	14,221	11,575	1,000	-	13,322
Girls Golf	1,137	5,236	3,491	-	-	2,882
Girls Lacrosse	5,642	3,082	4,441	-	-	4,283
Girls Soccer	4,733	3,622	2,595	-	-	5,760
Girls Tennis	235	2,660	2,557	-	-	338
Girls Track	10,219	10,373	11,336	500	-	9,756
HOSA	-	120	120	-	-	-
Junior Class	1,851	-	-	-	-	1,851
Key Club	71	2,315	-	-	-	2,386
Lacrosse-Boys	-	5,543	2,158	-	-	3,385
Library	223	-	-	-	-	223
National Honor Society	2,876	3,725	3,073	-	-	3,528
Post Season B	-	24,660	24,660	-	-	-
Prom	25,113	20,325	22,191	-	-	23,247
Robert Hart Scholarship	10,000	-	4,000	-	-	6,000
Robotics	386	150	(105)	-	-	641
Senior Class	1,111	-	975	-	-	136
Skills USA	5,434	8,393	8,424	-	-	5,403
Softball	8,533	10,563	11,101	2,100	-	10,095
Sources of Strength	96	-	-	-	-	96
Start up Cash	-	8,000	8,000	-	-	-
Student Council	1,255	250	164	-	-	1,341
Swimming	2,496	20	955	-	-	1,561
Toyota Classic	-	7,847	7,847	-	-	-
Trap Shooting	1,923	2,361	2,355	-	-	1,929
Tri County	1,505	-	-	-	-	1,505
Volleyball	2,740	12,975	12,409	-	-	3,306
World Language	428	-	-	-	-	428
Wrestling	4,562	285	4,587	-	-	260
Y-Club	222	17,609	16,798	-	-	1,033
Yearbook	15,134	2,883	2,642	-	-	15,375
Total	$ 267,388	$ 389,639	$ 406,866	$ 32,100	$ -	$ 282,265

SCOTT COUNTY SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
School Activity Funds
Year Ended June 30, 2025

	Anne Mason Elementary	Eastern Elementary	Garth Elementary	Northern Elementary
Fund balance at July 1, 2024	$ 10,421	$ 21,654	$ 13,137	$ 22,597
Add: receipts	22,481	33,440	16,933	33,104
Less: disbursements	(19,829)	(32,718)	(16,462)	(31,026)
Fund balance at June 30, 2025	$ 13,073	$ 22,376	$ 13,608	$ 24,675

	Lemons Mill Elementary	Southern Elementary	Stamping Ground Elementary	Western Elementary
Fund balance at July 1, 2024	$ 11,394	$ 26,608	$ 19,231	$ 13,266
Add: receipts	28,745	14,378	24,944	42,540
Less: disbursements	(25,525)	(12,963)	(30,892)	(36,069)
Fund balance at June 30, 2025	$ 14,614	$ 28,023	$ 13,283	$ 19,737

	Elkhorn Crossing	Georgetown Middle	Royal Spring Middle	Scott County Middle
Fund balance at July 1, 2024	$ 12,151	$ 60,043	$ 84,979	$ 135,139
Add: receipts	8,534	100,277	120,625	126,253
Less: disbursements	(9,174)	(79,599)	(125,210)	(117,745)
Fund balance at June 30, 2025	$ 11,511	$ 80,721	$ 80,394	$ 143,647

	Phoenix Horizon	Scott County Preschool	Creekside Elementary	Total
Fund balance at July 1, 2024	$ 7,379	$ 59	$ 18,449	$ 456,507
Add: receipts	4,489	733	32,223	609,699
Less: disbursements	(6,842)	(323)	(31,565)	(575,942)
Fund balance at June 30, 2025	$ 5,026	$ 469	$ 19,107	$ 490,264

SCOTT COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the District	211,531,673	215,488,072	228,377,364	174,033,740	180,690,077	163,050,162	153,686,538	313,518,441	339,336,496	262,266,075
Total	$ 211,531,673	$ 215,488,072	$ 228,377,364	$ 174,033,740	$ 180,690,077	$ 163,050,162	$ 153,686,538	$ 313,518,441	$ 339,336,496	$ 262,266,075
District's covered-employee payroll	$ 53,859,990	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	$ 35,868,383	$ 35,100,583
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	60.36%	57.68%	56.41%	65.59%	58.27%	58.76%	59.27%	39.83%	35.22%	42.49%

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

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

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

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

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

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

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

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

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District Contributions –TRS

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,078,458	$ 2,018,380	$ 2,997,189	$ 1,779,314	$ 1,337,478	$ 1,099,499	$ 1,133,195	$ 1,097,650	$ 1,507,358	$ 1,465,504
Contributions in relation to the contractually required contribution	(2,078,458)	(2,018,380)	(2,997,189)	(1,779,314)	(1,337,478)	(1,099,499)	(1,133,195)	(1,097,650)	(1,507,358)	(1,465,504)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 53,859,990	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	$ 35,868,383	$ 35,100,583
Contributions as a percentage of of covered-employee payroll	3.86%	4.06%	6.02%	3.88%	4.58%	4.29%	3.00%	3.00%	4.20%	4.18%

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

SCOTT COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of net pension liability	0.561074%	0.515154%	0.506110%	0.529483%	0.515700%	0.476147%	0.462668%	0.462977%	0.463111%	0.465716%
District's proportionate share of the net pension liability	$ 33,554,603	$ 33,054,900	$ 36,586,760	$ 33,758,694	$ 39,553,840	$ 33,487,631	$ 28,177,892	$ 27,099,467	$ 22,801,840	$ 20,023,578
Total net pension liability	$ 5,980,423,768	$ 6,416,508,407	$ 7,229,013,496	$ 6,375,784,388	$ 7,669,917,211	$ 7,033,044,552	$ 6,090,304,793	$ 5,853,307,482	$ 4,923,618,237	$ 4,299,525,565
District's covered-employee payroll	$ 18,629,991	$ 17,640,417	$ 10,570,072	$ 13,997,275	$ 13,525,920	$ 13,214,562	$ 12,195,798	$ 11,674,710	$ 11,563,570	$ 11,295,029
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	180.11%	187.38%	346.14%	241.18%	292.43%	253.41%	231.05%	232.12%	197.19%	142.57%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	54.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%

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

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

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

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

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

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

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

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

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

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

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

2017: The assumed investment rate of return was decreased from 7.5% to 6.25%.

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

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

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

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District Contributions – CERS

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 3,672,060	$ 4,117,225	$ 2,831,723	$ 3,771,235	$ 3,254,337	$ 3,179,349	$ 1,978,158	$ 1,690,498	$ 1,613,118	$ 1,402,843
Contributions in relation to the contractually required contribution	(3,672,060)	(4,117,225)	(2,831,723)	(3,771,235)	(3,254,337)	(3,179,349)	(1,978,158)	(1,690,498)	(1,613,118)	(1,402,843)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*	*
District's covered-employee payroll	$ 18,629,991	$ 17,640,417	$ 10,570,072	$ 13,997,275	$ 13,525,920	$ 13,214,562	$ 12,195,798	$ 11,674,710	$ 11,563,570	$ 11,295,029
Contributions as a percentage of of covered-employee payroll	19.71%	23.34%	26.79%	26.94%	24.06%	24.06%	16.22%	14.48%	13.95%	12.42%

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

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District's Proportionate Share of Net OPEB Liability - LIF

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the collective trust OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%	*	*
District's proportionate share of the collective net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	300,000	338,000	393,000	165,000	416,000	349,000	310,000	239,000	*	*
Total net OPEB liability	$ 300,000	$ 338,000	$ 393,000	$ 165,000	$ 416,000	$ 349,000	$ 310,000	$ 239,000	*	*
District's covered-employee payroll	$ 53,859,990	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	80.56%	76.91%	73.97%	89.15%	71.57%	73.40%	74.97%	79.99%	*	*

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

Changes of benefit terms - None.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2024:

Valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	23 Years
Asset valuation method	Five-year smoothed value
Inflation	2.50%
Real wage growth	0.50%
Wage inflation	2.75%
Salary increases, including wage inflation	3.00% - 7.50%
Discount rate	7.10%

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District Contributions - LIF

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	*	*	*	*
Contribution deficiency	-	-	-	-	-	-	*	*	*	*
District's covered-employee payroll	$ 53,859,990	$ 49,740,088	$ 49,801,813	# $ 45,903,527	# $ 29,224,896	# $ 25,652,295	$ 37,773,178	*	*	*
Contributions as a percentage of of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*

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

SCOTT COUNTY SCHOOL DISTRICT

Schedule of District's Proportionate Share of Net OPEB Liability - MIF

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the collective trust OPEB liability	0.661484%	0.664526%	0.969863%	0.710354%	0.681043%	0.635327%	0.605133%	0.612515%	*	*
District's proportionate share of the collective net OPEB liability	$ 14,744,000	$ 16,185,000	$ 24,077,000	$ 15,242,000	$ 17,188,000	$ 18,595,000	$ 20,996,000	$ 21,841,000	*	*
State's proportionate share of the collective net OPEB liability associated with the District	$ 13,135,000	$ 13,642,000	$ 12,379,000	$ 12,379,000	$ 13,768,000	$ 15,017,000	$ 18,095,000	$ 17,841,000	*	*
Total net OPEB liability	$ 27,879,000	$ 29,827,000	$ 36,456,000	$ 30,956,000	$ 30,956,000	$ 33,612,000	$ 39,091,000	$ 39,682,000	*	*
District's covered-employee payroll	$ 53,859,990	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	27.4%	32.5%	48.3%	67.0%	67.0%	49.2%	57.3%	60.9%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	59.81%	52.97%	47.75%	51.74%	39.05%	32.58%	25.54%	21.18%	*	*

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

Changes of benefit terms - None

Changes to assumptions

2023: The health care trend rates, as well as the TRS 4 retirement decrements, were updated to reflect future anticipated experience.
2024: The health care trend rates, as well as the morbidity factors, were updated to reflect future anticipated experience.

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

SCOTT COUNTY SCHOOL DISTRICT

Schedule of the District Contributions – MIF

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,373,593	$ 1,259,166	$ 1,286,886	$ 1,260,883	$ 1,202,768	$ 1,106,278	$ 1,133,195	$ 1,097,650	*	*
Contributions in relation to the contractually required contribution	(1,373,593)	(1,259,166)	(1,286,886)	(1,260,883)	(1,202,768)	(1,106,278)	(1,133,195)	(1,097,650)	*	*
Contribution deficiency	-	-	-	-	-	-	-	-	*	*
District's covered-employee payroll	$ 53,859,990	$ 49,740,088	$ 49,801,813	$ 45,903,527	$ 29,224,896	$ 25,652,295	$ 37,773,178	$ 36,624,856	*	*
Contributions as a percentage of of covered-employee payroll	2.55%	2.53%	2.58%	2.75%	4.12%	4.31%	3.00%	3.00%	*	*

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

Changes of benefit terms - None

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

SCOTT COUNTY SCHOOL DISTRICT

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

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the collective trust OPEB liability	0.561625%	0.515136%	0.506024%	0.529359%	0.515551%	0.476023%	0.462650%	0.462977%	*	*
District's proportionate share of the collective net OPEB liability	$ (971,500)	$ (711,231)	$ 9,986,453	$ 10,134,313	$ 12,448,989	$ 8,006,492	$ 8,214,259	$ 9,307,421	*	*
State's proportionate share of the collective net OPEB liability associated with the District	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*
Total net OPEB liability	$ (971,500)	$ (711,231)	$ 9,986,453	$ 10,134,313	$ 12,448,989	$ 8,006,492	$ 8,214,259	$ 9,307,421	*	*
District's covered-employee payroll	$ 18,629,991	$ 17,640,417	$ 10,570,072	$ 13,997,275	$ 13,525,920	$ 13,214,562	$ 12,195,798	$ 11,674,710	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	-5.21%	-4.03%	94.48%	95.88%	94.21%	65.65%	70.36%	80.49%	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	104.89%	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%	*	*

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

Changes in assumptions: None

2018: Updated health care trend rates were implemented.
2023: The health care trend rates were increased to reflect future anticipated experience.
2024: The discount rate used to calculate total OPEB liability increased from 5.93% to 5.99%

SCOTT COUNTY SCHOOL DISTRICT

Schedule District Contributions – MIF (CERS)

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ -	$ 506,931	$ 583,596	$ 643,760	$ 628,778	$ 631,749	$ 641,499	$ 548,712	*	*
Contributions in relation to the contractually required contribution	-	(506,931)	(583,596)	(643,760)	(628,778)	(631,749)	(641,499)	(548,712)	*	*
Contribution deficiency	-	-	-	-	-	-	-	-	*	*
District's covered-employee payroll	$ 18,629,991	$ 17,640,417	$ 10,570,072	$ 13,997,275	$ 13,525,920	$ 13,214,562	$ 12,195,798	$ 11,674,710	*	*
Contributions as a percentage of covered-employee payroll	0.00%	2.87%	5.52%	4.60%	4.65%	4.78%	5.26%	5%	*	*

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

SCOTT 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	Agreement Number	Federal Expenditures for FYE June 30, 2025
U.S. Department of Education			
Passed through Kentucky Department of Education			
Special Education Cluster			
Special Education Grants to States	84.027	3810002-24	$ 846,483
Special Education Grants to States	84.027	3810002-24	253,389
Special Education Grants to States	84.027	3810002-25	1,434,776
Special Education Grants to States	84.027	3810002-25	15,163
Total ALN #84.027			2,549,811
Special Education - Preschool Grants	84.173	3800002-25	63,542
Total ALN #84.173			63,542
Total Special Education Cluster			2,613,353
Title I Grants to Local Educational Agencies	84.010	3100002-23	33,129
Title I Grants to Local Educational Agencies	84.010	3100002-23	5,962
Title I Grants to Local Educational Agencies	84.010	3100002-23	4
Title I Grants to Local Educational Agencies	84.010	3100002-24	4,798
Title I Grants to Local Educational Agencies	84.010	3100002-24	11,241
Title I Grants to Local Educational Agencies	84.010	3100002-24	110,457
Title I Grants to Local Educational Agencies	84.010	3100002-24	160
Title I Grants to Local Educational Agencies	84.010	3100002-25	1,227,162
Title I Grants to Local Educational Agencies	84.010	3100002-25	819
Title I Grants to Local Educational Agencies	84.010	3100002-25	2,665
Title I Grants to Local Educational Agencies	84.010	3100002-25	131
Title I Grants- School Improvement Plan A - Educational Recovery Staff	84.010	3100002-25	433,484
Total ALN #84.010			1,830,012
Migrant Education - State Grant Program	84.011	3110002-24	26,809
Migrant Education - State Grant Program	84.011	3110002-25	107,064
Total ALN #84.011			133,873
Vocational Education - Basic Grants to States	84.048	3710002-24	8,087
Vocational Education - Basic Grants to States	84.048	3710002-25	101,859
Total ALN #84.048			109,946
English Language Acquisition State Grants	84.365	3300002-23	7,536
English Language Acquisition State Grants	84.365	3300002-23	28,870
Total ALN #84.365			36,406
Title II Improving Teacher Quality State Grants	84.367	3230002-23	944
Title II Improving Teacher Quality State Grants	84.367	3230002-23	2,882
Title II Improving Teacher Quality State Grants	84.367	3230002-24	244,222
Title II Improving Teacher Quality State Grants	84.367	3230002-25	79,231
Total ALN #84.367			327,279

SCOTT COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agreement Number	Federal Expenditures for FYE June 30, 2024
Student Support and Academic Enrichment Program	84.424	3420002-23	80
Student Support and Academic Enrichment Program	84.424	3420002-23	15,591
Student Support and Academic Enrichment Program	84.424	3420002-23	25,926
Student Support and Academic Enrichment Program	84.424	3420002-24	$ 12,657
Student Support and Academic Enrichment Program	84.424	3420002-24	43,441
Student Support and Academic Enrichment Program	84.424	3420002-25	70,472
Student Support and Academic Enrichment Program	84.424	3420002-25	5,100
Student Support and Academic Enrichment Program	84.424	3420002-25	135,002
Total ALN #84.424			308,268
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-25	5,000
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	3,251
COVID-19 CARES Act Education Stabilization Fund	84.425D	4000002-20	1,780
Total ALN #84.425			10,031
ARPA Child Sustainment	93.575	4000002-21	172,561
Congressional Academy	84.422A	U422A18006-20	12,244
Community Schools Initiative	84.215J	Not available	192,566
Kentucky Department of Education MOA	84.323	Not available	57,421
Total U.S. Department of Education			5,803,960
U.S. Department of Agriculture			
Child Nutrition Cluster			
Passed through Kentucky Department of Agriculture			
School Breakfast Program	10.553	7760005-25	1,132,504
After School Snack Program	10.555	7750002-25	3,271,953
After School Snack Program	10.555	7750002-20	39,708
Total ALN #10.555			3,311,661
National School Lunch Program - Food Donation	10.555	57502	244,887
Total Child Nutrition Cluster			4,689,052
Child and Adult Care Food Program	10.558	7790021-24	44,651
Child and Adult Care Food Program	10.558	7790021-25	225,763
Child and Adult Care Food Program	10.558	7800016-25	6,476
Total ALN #10.558			276,890
Total U.S. Department of Agriculture			4,965,942
Total Expenditures of Federal Awards			$ 10,769,902

SCOTT COUNTY SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Scott County School District under programs of the federal government for the year ended June 30, 2025, and is reported on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal* Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal* Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Scott County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2025, the District reported food commodities expended in the amount of $244,887.

NOTE 4 INDIRECT COST RATE

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

NOTE 5 SUBRECIPIENTS

The District did not have any subrecipients during the year ended June 30, 2025.

BARNES DENNIG
Accounting • Tax • Business Insight

KENTUCKY OFFICE
2617 Legends Way
Crestview Hills, KY 41017
Main: 859.344.6400
Fax: 856.578.7522

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

To the Members of the Board of Education
Scott County School District
Georgetown, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Scott County School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Scott County School District's basic financial statements, and have issued our report thereon dated January 28, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We noted other matters that we reported to management of the District on pages 84-87 on the audited financial statements.

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

Purpose of this Report

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



Crestview Hills, Kentucky
January 28, 2026

BARNES DENNIG
Accounting • Tax • Business Insight

KENTUCKY OFFICE
2617 Legends Way
Crestview Hills, KY 41017
Main: 859.344.6400
Fax: 856.578.7522

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

Members of the Board of Education
Scott County School District
Georgetown, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Scott County School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Scott County School District's major federal programs for the year ended June 30, 2025. Scott County School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Scott County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 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 Scott County School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Scott County School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Report on Internal Control Over Compliance (Continued)

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

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

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
January 28, 2026

SCOTT COUNTY SCHOOL DISTRICT

Schedule of Findings of Questioned Costs
Year Ended June 30, 2025

SECTION I -SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ____ Yes X No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs

CFDA No.	Name of Federal Program or Cluster
84.027/84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? X Yes ____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

SCOTT COUNTY SCHOOL DISTRICT

Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2025

SECTION I -SUMMARY OF AUDITOR'S RESULTS

No matters were reportable.

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reportable.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters were reportable.

SCOTT COUNTY SCHOOL DISTRICT

Management Letter Comments
Year Ended June 30, 2025

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

This letter summarizes our comments and suggestions regarding those matters. A separate report dated January 28,, 2026 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated January 28, 2026, on the financial statements of the Scott County School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Scott County High School

No matters are reportable.

Great Crossing High School

No matters are reportable.

Scott County Middle School

No matters are reportable.

Royal Spring Middle School

No matters are reportable.

Georgetown Middle School

No matters are reportable.

Elkhorn Crossing

No matters are reportable.

Anne Mason Elementary

No matters are reportable.

Eastern Elementary

No matters are reportable.

CURRENT YEAR RECOMMENDATIONS (CONTINUED)

Garth Elementary

No matters are reportable.

Northern Elementary

No matters are reportable.

Lemons Mill Elementary

No matters are reportable.

Stamping Ground Elementary

No matters are reportable.

Western Elementary

No matters are reportable.

Southern Elementary

No matters are reportable.

Scott County Preschool Center

No matters are reportable.

Creekside Elementary

No matters are reportable.

Phoenix Horizon Community

No matters are reportable.

SCOTT COUNTY SCHOOL DISTRICT

Management Letter Comments (Continued)
Year Ended June 30, 2025

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Scott County High School

No matters are reportable.

Great Crossing High School

No matters are reportable.

Scott County Middle School

No matters are reportable.

Royal Spring Middle School

No matters are reportable.

Georgetown Middle School

Statement of prior year deficiency: It was noted that purchase orders were not being approved.

Current Year follow up: No such instances noted.

Elkhorn Crossing

No matters are reportable.

Anne Mason Elementary

No matters are reportable.

Eastern Elementary

No matters are reportable.

STATUS OF PRIOR YEAR RECOMMENDATIONS (CONTINUED)

Garth Elementary

No matters are reportable.

Northern Elementary

No matters are reportable.

Lemons Mill Elementary

No matters are reportable.

Stamping Ground Elementary

No matters are reportable.

Western Elementary

No matters are reportable.

Southern Elementary

No matters are reportable.

Scott County Preschool Center

No matters are reportable.

Creekside Elementary

No matters are reportable.

Phoenix Horizon Community

No matters are reportable.