BOYD COUNTY SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS

TABLE OF CONTENTS

****

	PAGE
INDEPENDENT AUDITOR'S REPORT	3-5
MANAGEMENT'S DISCUSSION AND ANALYSIS	6-10
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements -	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements -	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position - Proprietary Fund	17
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	18
Statement of Cash Flows - Proprietary Fund	19
Statement of Net Position - Fiduciary Funds	20
Statement of Changes in Net Position - Fiduciary Funds	21
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	22
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue Fund	23
Notes to Financial Statements	24-53
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of District's Proportionate Share of the Net Pension Liability	54
Schedule of Pension Contributions	55
Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)	56-57
Schedule of OPEB Contributions	58-59
Notes to Required Supplementary Information – Pension Plans	60-63
Notes to Required Supplementary Information – OPEB Plans	64-67
SUPPLEMENTAL INFORMATION:	
Combining and Individual Statements - Non-Major Funds -	
Combining Balance Sheet - Non-Major Governmental Funds	68
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Non-Major Governmental Funds	69
Combining Balance Sheet - Non-Major Capital Project Funds	70
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Non-Major Capital Project Funds	71
Combining Balance Sheet - Debt Service Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds	73

Other -
Statement of Grant, Receipts, Disbursements
And Fund Balance:
Head Start –
Grant Project No. 04-CH-011039-05-00 and 04-CH-012751-01-00 74
Statement of Changes in Assets and
Liabilities - School Activity Funds 75
Statement of Changes in Assets and
Liabilities - Boyd County High School 76-77

Schedule of Expenditures of Federal Awards 78-79

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 80-81

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE 82-84

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 85-87

CORRECTIVE ACTION PLAN 88

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 89

INDEPENDENT AUDITOR'S TRANSMITTAL LETTER FOR MANAGEMENT LETTER POINTS 90

MANAGEMENT LETTER POINTS 91-94

****

Kelley Galloway Smith Goolsby, PSC
Certified Public Accountants and Advisors
1200 Corporate Court • P. O. Box 990 • Ashland, Kentucky 41105
• Phone (606) 329-1811 (606) 329-1171 • Fax (606) 329-8756 (606) 325-0590
• Web www.kgsgcpa.com Member of Allinial GLOBAL

INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for
School District Audits
Members of the Board of Education
Boyd County School District
Ashland, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Boyd County School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Special Revenue Fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter-Adoption of New Accounting Standard and Prior Period Error

As discussed in Note (15) to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences,* which resulted in a decrease to beginning net position of $780,906. In addition, the District restated the financial statements to correct a prior-period error related to construction in process, increasing beginning net position by $769,613. 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of District's Proportionate Share of the Net Pension Liability, Schedule of Pension Contributions, Schedule of District's Proportionate Share of the Net OPEB Liability (Asset), and the Schedule of OPEB Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
May 11, 2026

BOYD COUNTY SCHOOL DISTRICT - ASHLAND, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

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

FINANCIAL HIGHLIGHTS

- The General Fund had $37,929,616 in revenues (excluding inter-fund transfers, gain on sale of equipment and proceeds from KISTA and loan obligations), which primarily consisted of the State SEEK program, property taxes, utility taxes, and motor vehicle taxes. Excluding inter-fund transfers, there was $40,764,268 in General Fund expenditures. On-behalf payments of $10,242,444 are included in revenues and expenditures of the General Fund.

- The district continued to implement a Guaranteed Energy Savings project in fiscal year 2025. This project will continue into the fiscal year 2026. This project is expected to produce future savings in utility costs for the district which should cover any bond payments that are due. The total project cost will be $9,700,000.

- The District continued the construction project for the new Career & Technical School that is partially funded by a grant from the Commonwealth of Kentucky. The grant from the Commonwealth was for $10,000,000. The total project is expected to cost $20,093,226. The project is anticipated to be completed in fiscal year 2026.

- The District continued the renovation project for Cannonsburg Elementary School that is partially funded from the Commonwealth of Kentucky. The grant from the Commonwealth was for $11,477,300. The project is expected to cost $12,086,170. The project is anticipated to be completed in fiscal year 2026.

- The District implemented GASB 68 in 2015. There are two sources of pension liabilities with which the District has to contend. The Kentucky Teachers Retirement System covers the District's professional staff members. It had analysis performed by Cavanaugh Macdonald Consulting, LLC to determine each Kentucky school district's share of pension liabilities for its professional staff. This debt is the responsibility of the Commonwealth of Kentucky. The District's allocated amount was $80,065,452, as of June 30, 2024. The District's non-professional staff members are covered by the Kentucky County Employee Retirement System. Under this system the District's share of the pension liabilities was $14,740,369, as of June 30, 2024. The District does not believe these disclosures will have a major impact on our day to day operations or the financial health of District. The District's bond rating is based on the State's rating so we have little control over our cost of borrowing.

- The District implemented GASB 75 in 2018. There are two sources of OPEB liabilities (assets) with which the District has to contend. The Kentucky Teachers Retirement System (KTRS) Medical Insurance Plan and Life Insurance Plan cover the District's professional staff members. The District's allocated OPEB liability as of June 30, 2024 for KTRS Medical Insurance Plan was $10,623,000 with the District's responsibility being $5,618,000 and the Commonwealth of Kentucky's responsibility being $5,005,000. The liability for the KTRS Life Insurance Plan is the responsibility of the Commonwealth of Kentucky and the District's allocated amount as of June 30, 2024 was $114,000. Non-professional staff members are covered by the County Employee Retirement System Insurance Fund. Under this fund the District's share of OPEB liability (asset) was $(426,775) as of June 30, 2024. The District does not believe these disclosures will have a

major impact on their day to day operations or the financial health of District. The District's bond rating is based on the State's rating, so the District has little control over the cost of borrowing.

- The loss of ESSER funds during FY 2024 caused the District to have shortfalls and to borrow money from the Kentucky Department of Education in the amount of $645,000. It was paid back in three installment payments during FY 2025. Due to this, the District made changes and corrections throughout the FY 2025 year and was able to finish the year above the required 2% contingency.

- From July 2024 to current, the District has had turnover in the Finance Officer's position and are working on updating processes to help the District rebound into a better financial position. The Finance Officer will continue to work with the Superintendent and budget committee to make necessary changes.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

The government-wide financial statements outline functions of the District that are 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. Taxes and intergovernmental revenues also support fixed assets and related debt. The government-wide financial statements can be found on pages 11 and 12 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, and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The proprietary funds consist of our food service and day care operations. All other activities of the District are included in the governmental funds. The basic governmental fund financial statements can be found on pages 13 through 23 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 53 of this report.

GOVERNMENT-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 of resources exceeded the liabilities and deferred inflows of resources by approximately $14,775,000 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.

Government-wide Basis	**June 30, 2025**	**June 30, 2024** (AS RESTATED)
Current Assets	$ 7,342,703	$ 27,536,162
Noncurrent Assets	90,280,876	76,408,402
Total Assets	97,623,579	103,944,564
Deferred Outflows	6,355,798	8,413,843
Current Liabilities	6,190,714	15,886,520
Noncurrent Liabilities	73,578,750	78,852,744
Total Liabilities	79,769,464	94,739,264
Deferred Inflows	9,435,072	11,281,211
Investment in capital assets (net of debt)	38,010,486	29,959,941
Restricted	586,589	11,284,873
Unrestricted	(23,822,234)	(34,906,882)
Total Net Position	$ 14,774,841	$ 6,337,932

The following table presents a summary of revenue and expense on a government-wide basis for the fiscal years ended June 30, 2025 and 2024, respectively.

	2025 Amount	**2024 Amount** (AS RESTATED)
Revenues:		
Local Revenue Sources	$ 18,969,428	$ 19,549,504
State and Federal Revenue Sources	47,040,785	53,494,802
Total revenues	66,010,213	73,044,306
Expenses:		
Instruction	34,116,802	37,707,729
Student Support Services	3,254,772	2,986,010
Instructional Support	2,806,567	2,376,430
District Administration	971,054	888,160
School Administration	2,708,286	2,295,161
Business Support	942,396	853,598
Plant Operations	5,335,754	7,065,829
Student Transportation	2,457,969	3,130,783

Child Care Operations	-	125,935
Community Services	361,431	310,034
Other Non-Instruction	65,893	52,104
Other facilities	-	144,928
Food Service Operations	2,683,739	3,022,368
Day Care Operations	(234,962)	1,319,936
Debt Service - Interest	2,103,603	2,138,740
Total expenses	57,573,304	64,417,745
Revenue over (under) expenses	$ 8,436,909	$ 8,626,561

FUND BASIS

- The District's total revenues for the governmental funds for the fiscal year ended June 30, 2025 and 2024, net of inter-fund transfers, gains, and loan proceeds, was approximately $59.2 million and $64.6 million, respectively.

- The total cost of all programs and services for the governmental funds was approximately $45.5 million and $49.4 million, net of debt service and facilities acquisition and construction, for the fiscal years ended June 30, 2025 and 2024, respectively.

Comments on Budget Comparisons

- General Fund budgeted revenues varied from line item to line item again this year. Total revenues were approximately $5.6 million above budget projections with Intergovernmental - State receipts and taxes greatly exceeding the budgeted amount. Total expenditures were approximately $7.3 million above budget, excluding contingency.

CAPITAL ASSETS

At the end of June 30, 2025, the District's investment in capital assets for its governmental and business-type activities was $89,854,101, representing an increase of $13,790,942, net of depreciation, from the prior year.

DEBT SERVICE

At year-end, the District had approximately $55.5 million in outstanding debt, net of discounts, compared to $59.4 million last year. The District continues to maintain favorable debt ratings from Moody's and Standard & Poor's.

FUTURE BUDGETARY IMPLICATIONS

In Kentucky, the public school fiscal year is July 1-June 30; other programs, (i.e. some federal programs) operate on a different fiscal calendar, but are reflected in the District's overall budget. By state law the budget must have a minimum 2% contingency. The District adopted a budget for 2026 with $1,114,000 million in contingency (3.03%). The general fund cash balance for beginning the next fiscal year is $294,020 in the payroll account and $-0- in the general operating account.

Results of the current fiscal year and recent historical trends for the District were taken into account when preparing the subsequent year budget. No significant changes in revenue or expense items are foreseeable. The District's tax rates and tax base remain effectively the same. The District has assessed and considered underlying economical and funding factors at the federal, state, and local levels and other non-financial

areas including demographics, local economy and risk of loss of student population that may have a significant impact on the financial statements when preparing subsequent year budgets.

Questions regarding this report should be directed to Superintendent, William Boblett (606) 928-4141 or to Director of Finance, Tiffany Brooks (606) 928-4141 or by mail at 1104 Bob McCullough Drive, Ashland, Kentucky 41102.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 4,304,155	$ 378,417	$ 4,682,572
Investments	-	-	-
Receivables (net of allowances for uncollectibles):			
Taxes	1,490,665	-	1,490,665
Other	246,195	-	246,195
Intergovernmental - state	411,503	-	411,503
Intergovernmental - federal	138,000	318,858	456,858
Interfund receivable (payable)	511,831	(511,831)	-
Inventories	-	54,910	54,910
Net OPEB asset - CERS	365,274	61,501	426,775
Capital assets, not being depreciated	41,383,796	-	41,383,796
Capital assets, being depreciated, net	48,122,710	347,595	48,470,305
Total assets	96,974,129	649,450	97,623,579
Deferred Outflows of Resources			
Deferred savings from refunding bonds	1,402	-	1,402
Deferred outflows - pension related - CERS	1,817,415	305,997	2,123,412
Deferred outflows - OPEB related - CERS	664,532	111,886	776,418
Deferred outflows - OPEB related - KTRS	3,454,566	-	3,454,566
Total deferred outflows of resources	5,937,915	417,883	6,355,798
Liabilities			
Accounts payable	975,556	55,734	1,031,290
Accrued salaries and benefits payable	292,253	-	292,253
Accrued interest payable	373,495	-	373,495
Unearned revenue	438,103	-	438,103
Portion due or payable within one year:			
Bond obligations	3,372,000	-	3,372,000
KISTA obligations	177,813	-	177,813
Accrued sick leave	505,760	-	505,760
Noncurrent liabilities:			
Portion due or payable after one year:			
Bond obligations, net of discounts of $748,734	50,917,266	-	50,917,266
KISTA obligations	1,009,612	-	1,009,612
Accrued sick leave	1,293,503	-	1,293,503
Net pension liability - CERS	12,616,193	2,124,176	14,740,369
Net OPEB liability - KTRS	5,618,000	-	5,618,000
Total liabilities	77,589,554	2,179,910	79,769,464
Deferred Inflows of Resources			
Deferred inflows - pension related - CERS	1,552,036	261,315	1,813,351
Deferred inflows - OPEB related - CERS	3,521,765	592,956	4,114,721
Deferred inflows - OPEB related - KTRS	3,507,000	-	3,507,000
Total deferred inflows of resources	8,580,801	854,271	9,435,072
Net Position			
Net investment in capital assets	37,662,891	347,595	38,010,486
Restricted	531,679	54,910	586,589
Unrestricted	(21,452,881)	(2,369,353)	(23,822,234)
Total net position	$ 16,741,689	$ (1,966,848)	$ 14,774,841

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government:							
Governmental activities:							
Instruction	$ 34,116,802	$ -	$ 5,028,567	$ -	$ (29,088,235)	$ -	$ (29,088,235)
Support services:							
Students	3,254,772	-	258,488	-	(2,996,284)	-	(2,996,284)
Instructional staff	2,806,567	-	446,601	-	(2,359,966)	-	(2,359,966)
District administration	971,054	-	-	-	(971,054)	-	(971,054)
School administration	2,708,286	-	237,484	-	(2,470,802)	-	(2,470,802)
Business and other support services	942,396	-	56,207	-	(886,189)	-	(886,189)
Operation and maintenance of plant	5,335,754	-	148,269	7,932,070	2,744,585	-	2,744,585
Student transportation	2,457,969	-	124,501	-	(2,333,468)	-	(2,333,468)
Community services	361,431	-	361,431	-	-	-	-
Other non-instruction	65,893	-	-	-	(65,893)	-	(65,893)
Debt service - interest	2,103,603	-	-	1,915,735	(187,868)	-	(187,868)
Total governmental activities	55,124,527	-	6,661,548	9,847,805	(38,615,174)	-	(38,615,174)
Business-type activities:							
Food service	2,683,739	42,697	2,401,679	-	-	(239,363)	(239,363)
Day care operations	(234,962)	85,094	39,117	-	-	359,173	359,173
Total business-type activities	2,448,777	127,791	2,440,796	-	-	119,810	119,810
Total primary government	$ 57,573,304	$ 127,791	$ 9,102,344	$ 9,847,805	(38,615,174)	119,810	(38,495,364)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					11,642,918	-	11,642,918
Motor vehicle					1,730,912	-	1,730,912
Utilities					2,881,702	-	2,881,702
Intergovernmental revenues:							
State					28,090,636	-	28,090,636
Investment earnings					734,496	945	735,441
Gain on sale of assets					85,553	-	85,553
Other local revenues					1,758,182	6,929	1,765,111
Total general revenues					46,924,399	7,874	46,932,273
Change in net position					8,309,225	127,684	8,436,909
Net position, June 30, 2024, as restated					8,432,464	(2,094,532)	6,337,932
Net position, June 30, 2025					$ 16,741,689	$ (1,966,848)	$ 14,774,841

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Construction Fund	Debt Service Funds	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 294,020	$ 112,481	$ 3,200,345	$ 62,374	$ 634,935	$ 4,304,155
Receivables (net of allowances for uncollectibles):						
Property taxes	1,490,665	-	-	-	-	1,490,665
Other	222,359	-	23,651	-	185	246,195
Intergovernmental - state	-	411,503	-	-	-	411,503
Intergovernmental - federal	-	138,000	-	-	-	138,000
Interfund receivable	-	-	963,751	-	-	963,751
Total assets	$ 2,007,044	$ 661,984	$ 4,187,747	$ 62,374	$ 635,120	$ 7,554,269
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 149,582	$ 223,881	$ 556,073	$ 27,413	$ 18,607	$ 975,556
Accrued salaries and benefits payable	292,253	-	-	-	-	292,253
Interfund payable	451,920	-	-	-	-	451,920
Unearned revenue	-	438,103	-	-	-	438,103
Total liabilities	893,755	661,984	556,073	27,413	18,607	2,157,832
Fund balances:						
Restricted	-	-	3,631,674	34,961	496,718	4,163,353
Committed	-	-	-	-	114,115	114,115
Assigned	-	-	-	-	5,680	5,680
Unassigned	1,113,289	-	-	-	-	1,113,289
Total fund balances	1,113,289	-	3,631,674	34,961	616,513	5,396,437
Total liabilities and fund balances	$ 2,007,044	$ 661,984	$ 4,187,747	$ 62,374	$ 635,120	$ 7,554,269

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Fund balances—total governmental funds		$ 5,396,437
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		89,506,506
Savings from refunding bonds are not available to pay current period expenditures and therefore are not reported in the funds.		1,402
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		265,379
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds.		(2,909,667)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Net pension liability - CERS	(12,616,193)	
Net OPEB asset - CERS	365,274	
Net OPEB liability - KTRS	(5,618,000)	
Bond obligations	(54,289,266)	
KISTA obligations	(1,187,425)	
Accrued sick leave	(1,799,263)	
Accrued interest payable	(373,495)	(75,518,368)
Net position of governmental activities		$ 16,741,689

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
From local sources:						
Taxes -						
Property	$ 9,696,598	$ -	$ -	$ -	$ 1,946,320	$ 11,642,918
Motor vehicles	1,730,912	-	-	-	-	1,730,912
Utilities	2,881,702	-	-	-	-	2,881,702
Interest income	250,912	-	469,754	13,768	62	734,496
Other local revenues	813,520	753,292	23,650	-	921,012	2,511,474
Intergovernmental - State	22,228,297	1,597,266	7,932,070	1,915,735	1,407,231	35,080,599
Intergovernmental - Indirect federal	274,963	1,909,871	-	-	-	2,184,834
Intergovernmental - Direct federal	52,712	2,401,119	-	-	-	2,453,831
Total revenues	37,929,616	6,661,548	8,425,474	1,929,503	4,274,625	59,220,766
Expenditures:						
Current:						
Instruction	22,509,610	5,080,505	-	-	843,204	28,433,319
Support services:						
Students	2,711,257	258,488	-	-	-	2,969,745
Instructional staff	2,105,072	446,601	-	-	18,294	2,569,967
District administration	931,666	-	-	-	-	931,666
School administration	2,225,208	237,484	-	-	-	2,462,692
Business and other support services	836,379	56,207	-	-	-	892,586
Operation and maintenance of plant	4,090,935	148,269	-	-	-	4,239,204
Student transportation	2,466,123	124,501	-	-	-	2,590,624
Community services	-	361,431	-	-	-	361,431
Other non-instruction	-	-	-	-	65,893	65,893
Facilities acquisition and construction	-	-	18,177,630	-	-	18,177,630
Debt service	2,888,018	-	-	5,001,858	-	7,889,876
Total expenditures	40,764,268	6,713,486	18,177,630	5,001,858	927,391	71,584,633
Excess (deficiency) of revenues over (under) expenditures	(2,834,652)	(51,938)	(9,752,156)	(3,072,355)	3,347,234	(12,363,867)
Other financing sources (uses):						
Gain on sale of equipment	85,553	-	-	-	-	85,553
Proceeds from KISTA obligation	326,195	-	-	-	-	326,195
Loan proceeds	1,500,000	-	-	-	-	1,500,000
Transfers in	270,994	51,938	-	3,081,869	49,047	3,453,848
Transfers out	(51,938)	-	(49,047)	-	(3,352,863)	(3,453,848)
Total other financing sources and uses	2,130,804	51,938	(49,047)	3,081,869	(3,303,816)	1,911,748
Net change in fund balances	(703,848)	-	(9,801,203)	9,514	43,418	(10,452,119)
Fund balances, June 30, 2024, as restated	1,817,137	-	13,432,877	25,447	573,095	15,848,556
Fund balances, June 30, 2025	$ 1,113,289	$ -	$ 3,631,674	$ 34,961	$ 616,513	$ 5,396,437

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances—total governmental funds		$ (10,452,119)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	18,674,378	
Depreciation expense	(4,781,195)	13,893,183
Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred for the following:		
Long-term portion of accrued sick leave		(244,456)
Amortization of deferred savings from refunding bonds		(351)
Amortization of bond discounts and premiums		(71,721)
Accrued interest payable		23,885
Governmental funds report pension and OPEB contributions as expenditures when paid. However, in the Statement of Activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions and OPEB, and investment experience.		
KTRS nonemployer support revenue - pension	4,586,666	
KTRS expense - pension	(4,586,666)	
KTRS nonemployer support revenue - OPEB	(459,233)	
KTRS expense - OPEB	961,233	
KTRS contributions - OPEB	(17,819)	
CERS contributions - OPEB	813,449	
CERS contributions - pension	299,199	
CERS expense - pension	(444,290)	1,152,539
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds.		
KISTA obligation proceeds	(326,195)	
Loan proceeds	(1,500,000)	
Bond, loan, and KISTA payments	5,834,460	4,008,265
Change in net position of governmental activities		$ 8,309,225

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Food Service Fund	Day Care Fund	Total Proprietary Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 39,860	$ 338,557	$ 378,417
Receivables (net of allowances for uncollectibles)			
Other	-	-	-
Intergovernmental - federal	318,858	-	318,858
Inventories	54,910	-	54,910
Total current assets	413,628	338,557	752,185
Noncurrent assets:			
Net OPEB asset - CERS	50,024	11,477	61,501
Capital assets, net of accumulated depreciation	347,595	-	347,595
Total noncurrent assets	397,619	11,477	409,096
Total assets	811,247	350,034	1,161,281
Deferred Outflows of Resources			
Deferred outflows - pension related - CERS	248,892	57,105	305,997
Deferred outflows - OPEB related - CERS	91,006	20,880	111,886
Total deferred outflows of resources	339,898	77,985	417,883
Total assets and deferred outflows	$ 1,151,145	$ 428,019	$ 1,579,164
Liabilities			
Current liabilities:			
Accounts payable	$ 55,734	$ -	$ 55,734
Interfund payable	511,831	-	511,831
Total current liabilities	567,565	-	567,565
Noncurrent liabilities:			
Net pension liability - CERS	1,727,762	396,414	2,124,176
Net OPEB liability - CERS	-	-	-
Total noncurrent liabilities	1,727,762	396,414	2,124,176
Total liabilities	2,295,327	396,414	2,691,741
Deferred Inflows of Resources			
Deferred inflows - pension related - CERS	212,548	48,767	261,315
Deferred inflows - OPEB related - CERS	482,299	110,657	592,956
Total deferred inflows of resources	694,847	159,424	854,271
Net Position			
Net investment in capital assets	347,595	-	347,595
Restricted	54,910	-	54,910
Unrestricted	(2,241,534)	(127,819)	(2,369,353)
Total net position	(1,839,029)	(127,819)	(1,966,848)
Total liabilities and net position	$ 1,151,145	$ 428,019	$ 1,579,164

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Food Service Fund	Day Care Fund	Total Proprietary Fund
Operating revenues:			
Lunchroom sales	$ 42,697	$ -	$ 42,697
Day care revenue	-	85,094	85,094
Miscellaneous	2,159	4,770	6,929
Total operating revenues	44,856	89,864	134,720
Operating expenses:			
Salaries and wages	759,746	176,014	935,760
Employee benefits	364,336	(436,225)	(71,889)
Materials and supplies	1,455,199	20,351	1,475,550
Depreciation	102,241	-	102,241
Other operating expenses	2,217	4,898	7,115
Total operating expenses	2,683,739	(234,962)	2,448,777
Operating income (loss)	(2,638,883)	324,826	(2,314,057)
Nonoperating revenues:			
Federal grants	2,036,382	-	2,036,382
Investment income	945	-	945
Gain on sale of equipment	-	-	-
Donated commodities	161,735	-	161,735
State grants	203,562	39,117	242,679
Total nonoperating revenue	2,402,624	39,117	2,441,741
Change in net position	(236,259)	363,943	127,684
Net position, June 30, 2024, as restated	(1,602,770)	(491,762)	(2,094,532)
Net position, June 30, 2025	$ (1,839,029)	$ (127,819)	$ (1,966,848)

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Food Service Fund	Day Care Fund	Total Proprietary Fund
Cash flows from operating activities:			
Cash received from:			
Lunchroom sales	$ 42,697	$ -	$ 42,697
Day care revenue	-	86,664	86,664
Miscellaneous	2,159	4,770	6,929
Cash paid to/for:			
Payments to suppliers and providers of goods and services	(1,071,182)	(21,108)	(1,092,290)
Payments to employees	(980,304)	(225,263)	(1,205,567)
Other payments	(2,217)	(4,898)	(7,115)
Net cash provided by (used for) operating activities	(2,008,847)	(159,835)	(2,168,682)
Cash flows from noncapital financing activities:			
Government grants	1,838,231	-	1,838,231
Net cash provided by (used for) noncapital and related financing activities	1,838,231	-	1,838,231
Cash flows from capital and related financing activities:			
Proceeds from sale of assets	-	-	-
Purchases of capital assets	-	-	-
Net cash provided by (used for) capital and related financing activities	-	-	-
Cash flows from investing activities:			
Interest received on investments	945	-	945
Net cash provided by (used for) investing activities	945	-	945
Net increase (decrease) in cash and cash equivalents	(169,671)	(159,835)	(329,506)
Cash and cash equivalents, June 30, 2024	209,531	498,392	707,923
Cash and cash equivalents, June 30, 2025	$ 39,860	$ 338,557	$ 378,417
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (2,638,883)	$ 324,826	$ (2,314,057)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	102,241	-	102,241
Donated commodities	161,735	-	161,735
On-behalf payments	163,698	39,117	202,815
Net pension adjustment	76,220	(391,717)	(315,497)
Net OPEB adjustment	(96,140)	(132,874)	(229,014)
Change in assets and liabilities:			
Accounts receivable	-	1,570	1,570
Inventory	18,449	-	18,449
Accounts payable	(18,646)	(757)	(19,403)
Interfund payable	222,479	-	222,479
Net cash provided by (used for) operating activities	$ (2,008,847)	$ (159,835)	$ (2,168,682)
Non-cash items:			
Donated commodities	$ 161,735	$ -	$ 161,735
On-behalf payments	163,698	39,117	202,815

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Trust Fund
Assets	
Cash and cash equivalents	$ 108,198
Accounts receivable	-
Total assets	108,198
Liabilities	
Accounts payable	-
Interfund payable	-
Due to students	-
Total liabilities	-
Net position held in trust	$ 108,198

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Trust Fund
Additions -	
Interest income	$ -
Other local revenues	-
Intergovernmental - State (on-behalf)	-
	-
Deductions -	
Operating expenses	-
Benefits paid	-
	-
Change in net position	-
Net position, June 30, 2024	108,198
Net position, June 30, 2025	$ 108,198

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Taxes:				
Property	$ 8,995,000	$ 9,500,000	$ 9,696,598	$ 196,598
Motor vehicles	1,400,000	1,650,000	1,730,912	80,912
Utilities	2,750,000	2,750,000	2,881,702	131,702
Interest income	150,000	150,000	250,912	100,912
Other local revenues	520,000	560,000	813,520	253,520
Intergovernmental - State	17,772,000	17,432,890	22,228,297	4,795,407
Intergovernmental - Indirect federal	215,000	215,000	274,963	59,963
Intergovernmental - Direct federal	55,000	70,000	52,712	(17,288)
Total revenues	31,857,000	32,327,890	37,929,616	5,601,726
Expenditures:				
Current:				
Instruction	18,203,269	18,560,184	22,509,610	(3,949,426)
Support services:				
Students	2,188,330	2,303,467	2,711,257	(407,790)
Instructional staff	1,685,385	1,769,903	2,105,072	(335,169)
District administration	764,313	801,965	931,666	(129,701)
School administration	1,986,423	1,881,199	2,225,208	(344,009)
Business and other support services	724,161	751,548	836,379	(84,831)
Operation and maintenance of plant	4,032,532	4,063,538	4,090,935	(27,397)
Student transportation	1,996,035	1,969,916	2,466,123	(496,207)
Debt service	402,965	1,378,130	2,888,018	(1,509,888)
Contingency	1,463,587	1,085,741	-	1,085,741
Total expenditures	33,447,000	34,565,591	40,764,268	(6,198,677)
Excess (deficiency) of revenues over (under) expenditures	(1,590,000)	(2,237,701)	(2,834,652)	(596,951)
Other financing sources (uses):				
Gain on sale of equipment	15,000	15,000	85,553	70,553
Proceeds from KISTA obligations	-	-	326,195	326,195
Loan proceeds	-	-	1,500,000	1,500,000
Transfers in	-	272,508	270,994	(1,514)
Transfers out	(75,000)	(65,000)	(51,938)	13,062
Total other financing sources and uses	(60,000)	222,508	2,130,804	1,908,296
Net change in fund balances	(1,650,000)	(2,015,193)	(703,848)	1,311,345
Fund balances, June 30, 2024, as restated	1,650,000	2,015,193	1,817,137	(198,056)
Fund balances, June 30, 2025	$ -	$ -	$ 1,113,289	$ 1,113,289

The accompanying notes to financial statements are an integral part of this statement.

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest income	$ -	$ -	$ -	$ -
Other local revenues	-	2,040,000	753,292	(1,286,708)
Intergovernmental - State	1,377,756	1,694,853	1,597,266	(97,587)
Intergovernmental - Indirect federal	2,276,881	2,458,214	1,909,871	(548,343)
Intergovernmental - Direct federal	2,190,656	2,241,617	2,401,119	159,502
Total revenues	5,845,293	8,434,684	6,661,548	(1,773,136)
Expenditures:				
Current:				
Instruction	4,520,882	5,817,009	5,080,505	736,504
Support services:				
Students	250,888	168,056	258,488	(90,432)
Instructional staff	398,114	430,153	446,601	(16,448)
School administration	236,145	236,145	237,484	(1,339)
Business and other support services	54,735	54,735	56,207	(1,472)
Operation and maintenance of plant	145,115	389,643	148,269	241,374
Student transportation	30,000	30,000	124,501	(94,501)
Community services	284,414	336,210	361,431	(25,221)
Total expenditures	5,920,293	7,461,951	6,713,486	748,465
Excess (deficiency) of revenues over (under) expenditures	(75,000)	972,733	(51,938)	(1,024,671)
Other financing sources (uses):				
Transfers in	246,105	236,105	51,938	(184,167)
Transfers out	(171,105)	(150,750)	-	150,750
Total other financing sources and uses	75,000	85,355	51,938	(33,417)
Net change in fund balances	-	1,058,088	-	(1,058,088)
Fund balances, June 30, 2024	-	-	-	-
Fund balances, June 30, 2025	$ -	$ 1,058,088	$ -	$ (1,058,088)

The accompanying notes to financial statements are an integral part of this statement.

(1) REPORTING ENTITY

The Boyd 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 Boyd 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 Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards as Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

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

The financial statements of the Board 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. Copies of component unit reports may be obtained from the District's Finance Office at 1104 Bob McCullough Drive, Ashland, Kentucky 41102.

Boyd County School District Finance Corporation

On August 28, 1989, Boyd County, Kentucky, Board of Education resolved to authorize the establishment of the Boyd 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 Section 58.180) as an agency of the Board for financing the costs of school building facilities. The Board Members of the Boyd County Board of Education also comprise the Corporation's Board of Directors.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Boyd County School District substantially comply with the rules prescribed by the Kentucky Department of Education for local school districts.

Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements provide information about the primary government (the District). The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses to programs or functions, except where allowable for certain grant programs. 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, including internally dedicated resources and all taxes, are reported as general revenues, 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 provide information about the District's funds, including fiduciary funds. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and 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. The proprietary fund and fiduciary funds are reported using the economic resources measurement focus. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

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 Funds account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes.

1. The Special Revenue Fund 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. This is a major fund of the District.

2. The District Activity Fund is a special revenue fund used to account for funds collected at individual schools for operation costs of the school or school district that allows for more flexibility in the expenditure of those funds.

3. The School Activity Fund is a special revenue fund used to account for funds collected at individual schools for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the *Uniform Program of Accounting for School Activity Funds.*

(C) 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 the Proprietary Fund).

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

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

3. The School Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction expenditures. This is a major fund of the District.

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

II. Proprietary Fund (Enterprise Fund)

(A) 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). This is a major fund of the District.

(B) The Day Care Fund is used to account for day care activities. This is listed as a major fund due to the nature of the activity.

III. Fiduciary Fund Types (includes agency and trust funds)

The Hamilton Scholarship Fund is accounted for as an expendable trust fund on the modified accrual basis. The principal and interest earned may be used for scholarships to Boyd County High School students.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Government 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, are 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.

Non-exchange 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 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. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position as an expense with a like amount reported as donated commodities revenue.

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

Property Taxes

Property taxes collected are recorded as revenues in the fund for which they were levied. The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. The assessed value of property upon which the levy for the 2025 fiscal year was based was $1,660,569,121.

The tax rates assessed for the year ended June 30, 2025 to finance general fund operations were $0.708 on real estate, $0.708 on tangible property, and $0.547 on motor vehicles per $100 valuation on tangible property.

Taxes are due on October 1 and become delinquent by February 1 following the October 1 levy date.

In-Kind

Local contributions, which include contributed services provided by individuals, private Districts and local governments, are used to match federal and state administered funding on various grants. The District also receives commodities from the USDA. The amounts of such services and commodities are recorded in the accompanying financial statements at their estimated fair market values.

Cash and Cash Equivalents

The Board considers demand deposits, money market funds, and other investments with an original maturity of 6 months or less, to be cash equivalents.

Inventories

Supplies and materials are charged to expenditures when purchased with the exception of the Proprietary Fund, which records inventory using the accrual basis of accounting. Inventories are stated at the lower of cost or market, on the first-in, first-out basis.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition 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. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not.

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

Description	Estimated Lives
Buildings and improvements	25-50 years
Land improvements	20 years
Infrastructure	20 years
Technology equipment	5 years
Vehicles	5-10 years
Food service equipment	5-12 years
Other general	7-11 years

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.

Budgetary Process

The District is required by state law to adopt annual budgets. Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Per Board policy, only amendments that aggregate greater than $50,000 require Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

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

Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, 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, all 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

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

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

Net Position

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, those revenues are primarily charges for meals provided by the various schools. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

Interfund Activity

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 basic financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Accumulated Unpaid Sick Leave Benefits

Under the District's policy, upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. In addition, based on historical usage patterns, employees are more likely than not to use an additional 5% of accumulated sick leave for

illness prior to retirement. This results in a total utilization rate of 35% for recognition under GASB Statement No. 101, *Compensated Absences*.

In accordance with GASB Statement No. 101, *Compensated Absences*, sick leave benefits are accrued as a liability when earned, accumulate from year to year, and are more likely than not to be used or paid. The liability includes:

- The portion of accumulated sick leave expected to result in termination payments at retirement (30%).
- The portion expected to be used prior to termination (5%).

The liability is measured using the employee's current pay rate at the financial statement date and includes applicable salary-related payments:

- Certified employees: Employer share of Medicare tax (1.45%) only, as these employees are not subject to Social Security.
- Classified employees: Employer share of both Social Security (6.2%) and Medicare (1.45%).

The entire compensated absences liability is reported in the government-wide financial statements. For governmental fund financial statements the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accumulated sick leave payable" in the general fund. The noncurrent portion of the liability is not reported in the fund financial statements, but is reflected in the statement of net position.

The District has the option of funding up to 50% of the total amount accrued as a reservation of the General Fund balance. At June 30, 2025, the District had committed $-0- for sick leave payout.

Bond Issuance Costs

Debt issuance costs are expensed in the period they are incurred.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

Pension

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the OPEB plan's fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the

same basis as they are reported by plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Recent Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* ("GASB 101"), which supersedes the guidance in Statement No. 16, *Accounting for Compensated Absences*, issued in 1992. GASB 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model. It also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Additionally, it establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The District adopted GASB 101 in the current fiscal year. As a result of this adoption, beginning net position was decreased by $780,906 to recognize additional compensated absences liabilities in accordance with the new standard.

In January 2024, the GASB issued Statement No. 102, *Certain Risk Disclosures* ("GASB 102"), which aims to enhance the transparency of financial reporting by requiring disclosures about risks that state and local governments face due to certain concentrations or constraints. A concentration is defined as a lack of diversity in significant inflows or outflows of resources, while a constraint is a limitation imposed by an external party or by the government's highest level of decision-making authority. Governments must disclose information about these risks if they are vulnerable to a substantial impact from them. The disclosures should include the nature of the concentration or constraint, any associated events that could cause a substantial impact, and actions taken to mitigate the risk. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024. Adoption of this statement did not have a material impact on the financial statements.

In May 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* ("GASB 103") with the objective to enhance the effectiveness of the financial reporting model for decision-making and assessing government accountability. The improvements target the following established accounting and financial reporting requirements:

- Management's discussion and analysis;
- Unusual or infrequent items (previously known as extraordinary and special items);
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
- Major component unit information; and
- Budgetary comparison information.

The effective date for GASB 103 is for fiscal years beginning after June 15, 2025. Management is currently evaluating the impact of this Statement on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which enhances financial reporting transparency by requiring separate note disclosures for certain types of capital assets, including a) Lease assets under GASB Statement No. 87, b) Subscription-based information technology arrangements (SBITAs) under GASB Statement No. 96, c) Intangible right-to-use assets under GASB Statement No. 94, d) Other intangible assets not otherwise separately reported, and e) Capital assets held for sale. The provisions of GASB 104 are effective for fiscal years beginning after June 15, 2025. Management is currently evaluating the impact of this Statement on its financial statements.

(3) CASH, CASH EQUIVALENTS, AND CERTIFICATES OF DEPOSIT

Cash, Cash Equivalents, and Certificates of Deposit

The funds of the District must be deposited and invested under the terms of a contract. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount

sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At June 30, 2025, the carrying amount of the Board's cash and cash equivalents, including the Trust Fund, was $4,790,770 and the bank balances totaled $5,961,977. Of the total bank balances, $788,819 was insured by Federal Depository insurance, with the remainder covered by a collateral agreement and collateral held by the pledging banks' trust departments in the District's name.

The cash deposits held at financial institutions can be categorized according to three levels of risk.

These three levels of risks are as follows:

Category 1	Deposits, which are insured or collateralized with securities, held by the District or by its agent in the District's name.
Category 2	Deposits, which are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
Category 3	Deposits, which are not collateralized or insured.

Based on these three levels of risk, the District's uninsured cash deposits are classified as Category 2.

General Fund cash and cash equivalents at June 30, 2025 consisted of a money market checking account.

Due to the nature of the accounts and certain limitations imposed on the use of funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK) Fund, Education Building Fund, Special Revenue (Grant) Funds, Bond and Interest Redemption Fund, School Food Service Funds, and School Activity Funds.

(4) CAPITAL ASSETS

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

Governmental Activities	June 30, 2024	Additions	Deductions	June 30, 2025
Capital Assets, Not Depreciated:				
Land	$ 2,125,034	$ -	$ -	$ 2,125,034
Construction in progress	20,708,257	18,550,505	-	39,258,762
Capital Assets, Depreciated:				
Land improvements	44,800	-	-	44,800
Buildings and improvements	127,439,854	-	-	127,439,854
Technology equipment	4,140,081	-	-	4,140,081
Vehicles	5,611,624	123,873	-	5,735,497
General	2,563,874	-	-	2,563,874
Infrastructure	805,851	-	-	805,851
Totals at historical cost	163,439,375	18,674,378	-	182,113,753
Less: accumulated depreciation -				
Land improvements	(20,101)	(1,991)	-	(22,092)
Buildings and improvements	(77,077,491)	(4,360,748)	-	(81,438,239)
Technology equipment	(4,138,534)	(640)	-	(4,139,174)
Vehicles	(4,580,703)	(306,763)	-	(4,887,466)
General	(1,900,171)	(88,119)	-	(1,988,290)
Infrastructure	(109,052)	(22,934)	-	(131,986)
Total accumulated depreciation	(87,826,052)	(4,781,195)	-	(92,607,247)
Governmental Activities Capital Assets - Net	$ 75,613,323	$ 13,893,183	$ -	$ 89,506,506

Business - Type Activities

Capital Assets, Depreciated:				
Food service equipment	$ 2,033,832	$ -	$ -	$ 2,033,832
Buildings and improvements	63,756	-	-	63,756
Vehicles	27,706	-	-	27,706
Technology equipment	49,472	-	-	49,472
Totals at historical cost	2,174,766	-	-	2,174,766
Less: accumulated depreciation				
Food service and equipment	(1,600,361)	(99,691)	-	(1,700,052)
Buildings and improvements	(47,392)	(2,550)	-	(49,942)
Vehicles	(27,705)	-	-	(27,705)
Technology equipment	(49,472)	-	-	(49,472)
Total accumulated depreciation	(1,724,930)	(102,241)	-	(1,827,171)
Business-Type Activities Capital Assets - Net	$ 449,836	$ (102,241)	$ -	$ 347,595

Depreciation expense was allocated to governmental functions as follows:

Instruction	$ 3,498,049
District administration	991
Plant operation & maintenance	997,275
Student transportation	284,880
	$ 4,781,195

(5) LONG-TERM AND SHORT-TERM OBLIGATIONS

A summary of activity in bond obligations and other long-term obligations is as follows:

Description	Balance at June 30, 2024	Additions	Payments	Balance at June 30, 2025	Due Within One Year
General obligation bonds - $81,736,000 originally issued with interest rates ranging from 1.00% to 4.375%	$ 58,547,000	$ -	$3,509,000	$55,038,000	$ 3,372,000
KISTA with interest rates ranging from 2.00% to 3.75%	1,041,690	326,195	180,460	1,187,425	177,813
Memorandum of Agreement with Kentucky Department of Education at 0.00%	645,000	-	645,000	-	-
Short Term Loan	-	1,500,000	1,500,000	-	-
Accrued Interest Payable	397,380	-	23,885	373,495	373,495
Net Pension Liability	16,045,442	-	1,305,073	14,740,369	-
Net OPEB Liability	6,140,000	-	522,000	5,618,000	-
Accumulated unpaid sick leave benefits	1,554,807	244,456	-	1,799,263	505,760
Less: Discounts on bonds	(820,455)	-	(71,721)	(748,734)	-
	$ 83,550,864	$2,070,651	$7,613,697	$78,007,818	$ 4,429,068

Bonds

The amounts shown in the accompanying financial statements as debt obligations represents the Board's future obligations to make lease payments relating to the bonds issued by the Boyd County Fiscal Court and the Boyd County School District Finance Corporation ("BCSDFC"), in the original amount of $81,736,000.

The General Fund, Facilities Support Program (FSPK) Fund and the SEEK Capital Outlay Fund are obligated to make lease payments. The lease agreements provide among other things, (1) for rentals sufficient to satisfy debt service requirements on bonds issued by the Fiscal Court and the BCSDFC to construct school facilities and (2) the Board with the option to purchase the properties under leases at any time by retiring the bonds then outstanding. The proceeds from certain refunding issues have been placed in escrow accounts to be used to service the related debt.

The original amount of present outstanding issues, the issue dates, and interest rates are summarized below:

Issue	Original Amount	Interest Rates
Issue of 2014R	$ 30,710,000	2.00-3.50%
Issue of 2015	24,685,000	2.00-3.25%
Issue of 2017	1,865,000	3.00-3.375%
Issue of 2019	5,090,000	2.00-2.80%
Issue of 2021R	451,000	1.00-1.50%
Issue of 2023E	9,235,000	4.00-4.125%
Issue of 2023	9,700,000	4.00-4.375%
	$ 81,736,000	

Bondholders are protected against default by a mechanism whereby the Commonwealth of Kentucky would withhold state SEEK payments and remit required debt service payments directly to the debt service paying agent.

The bonds may be called prior to maturity at dates and redemption premiums specified in each issue.

The 2014R, 2015, 2017, 2019, 2021R, 2023E, and 2023 bond issues were sold at a discount of $318,023, $493,700, $17,435, $101,453, $4,510, $185,816, and $184,448 respectively. These amounts are being amortized over the life of the respective debt.

In connection with the bond issues of 2014R, 2015, 2017, 2019, 2021R, 2023, the Board entered into a participation agreement with the Kentucky School Facilities Construction Commission, whereby the Commission has agreed to provide amounts on an annual basis (reflected in the following table) toward the payment of principal and interest requirements on the bonds. The agreement is in effect for a period of two years. The obligation of the Commission to make said payments shall automatically renew every two years, unless the Commission provides the Board notice of its intention not to participate within sixty days prior to the expiration of the two year period.

Assuming no issues are called prior to scheduled maturity and that the Kentucky School Facilities Construction Commission continues to renew its agreement, the minimum obligations at June 30, 2025 for debt service (principal and interest) are as follows:

	Kentucky School Facilities Construction Commission		Boyd County School District		
Year	Principal	Interest	Principal	Interest	Total
2026	$ 1,379,840	$ 533,871	$ 1,992,160	$ 1,368,228	$ 5,274,099
2027	1,420,247	492,886	2,065,753	1,307,446	5,286,332
2028	1,462,953	449,873	2,137,047	1,239,650	5,289,523
2029	1,516,056	405,518	2,221,944	1,169,438	5,312,956
2030	1,547,788	359,196	2,304,212	1,094,079	5,305,275
2031-2035	7,047,943	1,105,375	10,227,057	4,330,041	22,710,416
2036-2040	1,950,759	194,540	9,984,241	2,573,695	14,703,235

2041-2044	427,687	36,374	7,352,313	662,389	8,478,763
	$16,753,273	$ 3,577,633	$ 38,284,727	$ 13,744,966	$ 72,360,599

KISTA

Future minimum debt service on notes payable to KISTA by the District, at June 30, 2025, is as follows:

	District's Portion		
June 30,	Principal	Interest	Total
2026	$ 177,813	$ 34,623	$ 212,436
2027	179,288	29,989	209,277
2028	183,958	25,338	209,296
2029	176,215	20,543	196,758
2030	172,463	15,847	188,310
2031-2033	297,688	23,807	321,495
	$ 1,187,425	$ 150,147	$ 1,337,572

Memorandum of Agreement

On June 18, 2024, the District entered into a Memorandum of Agreement ("MOA") with the Kentucky Department of Education ("KDE") whereas KDE agreed to issue a one-time payment to the District in the amount of $645,000 to assist in the immediate financial challenges that the District was projecting. The full balance of $645,000 was repaid to KDE during the year ending June 30, 2025.

Short Term Loan

On October 11, 2024, the District entered into a Promissory Note with the Kentucky Farmers Bank in the amount of $1,500,000 to assist in the immediate cash flows for operations. The note bears interest at 6.50% with a maturity date of December 31, 2024. The full balance of $1,500,000 was repaid on November 15, 2024.

Net Pension Liability

Net pension liability-CERS is $12,616,193 and $2,124,176 for governmental activities and business-type activities, respectively, at June 30, 2025. See Note (6) for more detailed information.

Net OPEB Liability (Asset)

Net OPEB liability (Asset)-CERS is $(365,274) and $(61,501) for governmental activities and business-type activities, respectively, at June 30, 2025. Net OPEB liability-KTRS is $5,618,000 and $-0- for governmental activities and business-type activities, respectively, at June 30, 2025. See Note (7) for more detailed information.

(6) RETIREMENT PLANS

Kentucky Teachers Retirement System

Plan description: Teaching-certified employees of the Kentucky School District are provided pensions through the Teachers' Retirement System of the State of Kentucky (KTRS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

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

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

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

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

For Members On or After July 1, 2008, and Before Jan. 1, 2022: Members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

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

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

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

For Members On or After Jan. 1, 2022: To qualify for monthly retirement benefits, payable for life, members must either:

1.) Attain age 57 and complete 10 years of Kentucky service, or
2.) Attain age 65 and complete five years of Kentucky service.

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

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 (KRS). For members who began participating before Jan. 1, 2022, non-university members are required to contribute 12.855% of their

salaries to the system; university members are required to contribute 10.4% of their salaries. KRS 161.565 allows each university to reduce the contribution of its members by 2.215%; therefore, university members contribute 8.185% of their salary to TRS. For members employed by local school districts, the state (as a non-employer contributing entity) contributes 13.105% of salary for those who joined before July 1, 2008, and 14.105% for those who joined on or after July 1, 2008, and before Jan. 1, 2022. Other participating employers are required to contribute the percentage contributed by members plus an additional 3.25% of members' gross salaries.

For members who began participating on or after Jan. 1, 2022, non-university members contribute 14.75% and university members contribute 9.775% of their salaries to the system. Employers of non-university members, including the state (as a non- employer contributing entity), contribute 10.75% of salary. University employers contribute 9.775% of member's salary to the system.

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

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

District's proportionate share of the net Pension liability	$ -
Commonwealth's proportionate share of the Net Pension liability associated with the District	80,065,452
	$ 80,065,452

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the Commonwealth as determined by the actuary. At June 30, 2024, the District's proportion was 0.4869%.

For the year ended June 30, 2025, the District recognized pension expense of $4,586,666 and revenue of $4,586,666 for support provided by the State.

Actuarial Methods and Assumptions: The total pension liability was determined by applying procedures to the actuarial valuation as of June 30, 2023. The financial reporting actuarial valuation as of June 30, 2024, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Single Equivalent Interest Rate	7.10%
Municipal Bond Index Rate	3.94%
Inflation	2.5%
Salary Increase	3.0-7.5%, including inflation
Investment Rate of Return	7.1%, net of pension plan investment expense, including inflation
Post-retirement Benefit Increases	1.50% annually

Changes of Assumptions: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and salary increase were adjusted to more closely reflect actual experience. The expectation of mortality was changed to the Pub2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups: service retirees,

contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 7.5% to 7.1% and the price inflation assumption was lowered from 3% to 2.5%.

Mortality rates were based on the Pub-2010 (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 actuarial assumptions used were based on the results of an actuarial experience study for the 5-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

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

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

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

Discount Rate: The discount rate used to measure the total pension liability as of the measurement date was 7.1%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in full at the current contribution rates and the employer contributions will be made at actuarially determined contribution (ADC) rates for all future fiscal years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability of the Commonwealth associated with the District, calculated using the discount rate of 7.10%, as well as what the Commonwealth's net pension 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%)
Commonwealth's proportionate share of the Net Pension liability associated with the District	$ 104,317,000	$ 80,065,452	$ 59,845,000

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued KTRS financial report which is publicly available at http://www.ktrs.ky.gov/.

County Employees Retirement System

Plan description: Substantially all full-time classified employees of the District participate in the County Employees Retirement System ("CERS"). CERS is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Kentucky General Assembly. The plan covers substantially all regular full-time members employed in non-hazardous duty positions of each county and school board, and any additional eligible local agencies electing to participate in the plan. The plan provides for retirement, disability and death benefits to plan members.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

Benefits provided: Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions: Funding for CERS is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending June 30, 2024, employers were required to contribute 19.71% (19.71% pension, 0.00% insurance) of the member's salary. During the year ending June 30, 2025, the District contributed $1,284,804 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2024. At June 30, 2024, the District's proportion was 0.246477%.

For the year ended June 30, 2025, the District recognized pension expense of approximately $1,074,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 713,461	$ -
Changes of assumptions	-	665,975
Net difference between projected and actual earnings on investments	-	947,726
Changes in proportion and differences between District contributions and		

proportionate share of contributions	125,147	199,650
District contributions subsequent to the measurement date	1,284,804	-
	$ 2,123,412	$ 1,813,351

The $1,284,804 reported as deferred outflows of resources 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.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

Year	
2026	$ (594,264)
2027	195,048
2028	(364,317)
2029	(211,210)
	$ (974,743)

Actuarial Methods and Assumptions: The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2023. The financial reporting actuarial valuation as of June 30, 2024, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Payroll growth	2.00%
Inflation	2.50%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.50%, net of pension plan investment expense, including inflation

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%

Fixed Income		
Core Fixed Income	10.00%	2.85%
Specialty Credit	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected		
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
Total	100.00%	4.69%

Discount Rate: 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 members 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 assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.50%)	Current discount rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the net pension liability	$ 19,002,744	$ 14,740,369	$ 11,203,721

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at https://kyret.ky.gov.

Payables to the pension plan: At June 30, 2025, there was a total payable to CERS pension plan of $200,600.

(7) OTHER POSTEMPLOYMENT BENEFIT ("OPEB") PLANS

Kentucky Teachers Retirement System OPEB Plans

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

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

Medical Insurance Plan

Plan description: In addition to the OPEB benefits described above, Kentucky Revised Statute 161.675 requires TRS to provide post-employment healthcare benefits to eligible members and dependents. The

TRS Medical Insurance benefit is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

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

Contributions: In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three and three quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan. During the year ending June 30, 2025, the District contributed $505,566 to the Medical Insurance Plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to KTRS Medical Insurance Plan

At June 30, 2025, the District reported a liability of $5,618,000 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. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.476599%.

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	$ 5,618,000
Commonwealth's proportionate share of the Net OPEB liability associated with the District	5,005,000
	$ 10,623,000

For the year ended June 30, 2025, the District recognized OPEB expense of $(133,000) and revenue of $(459,233) for support provided by the State. 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
Differences between expected and actual experience	$ -	$ 1,687,000
Changes of assumptions	1,431,000	-
Net difference between projected and actual earnings on investments	-	180,000
Changes in proportion and differences		

between District contributions and proportionate share of contributions	1,518,000	1,640,000
District contributions subsequent to the measurement date	505,566	-
	$ 3,454,566	$ 3,507,000

Of the total amount reported as deferred outflows of resources related to OPEB, $505,566 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	
2026	$ (259,000)
2027	100,000
2028	2,000
2029	(215,000)
2030	(149,000)
Thereafter	4,000
	$ (558,000)

Actuarial methods and assumptions – The total OPEB liability was determined by applying procedures to the actuarial valuation as of June 30, 2023. The financial reporting actuarial valuation as of June 30, 2024, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
All ages	6.50% for FY 2024 decreasing to an ultimate rate of 4.50% by FY 2031
Medicare Part B Premiums	5.92% for FY 2024 with an ultimate rate of 4.50% by 2035
Municipal Bond Index Rate	3.66%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub-2010 (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, 2021 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 2023 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation. The health care cost trend assumption was updated for the June 30, 2023 valuation and was shown as an assumption change in the TOL roll forward, while the change in initial per capita claims costs were included with experience in the TOL roll forward.

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 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's investment consultant, are summarized in the following table:

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

Discount rate - The discount rate used to measure the TOL as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The pre-65 retiree health care costs for members retired on or after July 1, 2010 were assumed to be paid by either the State or the retirees themselves.
- As administrative expenses, other than the administrative fee of $8.00 PMPM paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.
- Cash flows occur mid-year.
- Future contributions to the Health Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the Health Trust achieves a sufficient prefunded status, as determined by the retirement system's actuary, the following Health Trust statutory contributions are to be decreased, suspended, or eliminated:
    - Employee contributions
    - School District/University Contributions
    - State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

To reflect these adjustments, open group projections were used and assumed an equal, pro rata reduction to the current statutory amounts in the years if/when the Health Trust is projected to achieve a Funded Ratio of 100% or more. Here, the current statutory amounts are adjusted to achieve total contributions equal to

the Actuarially Determined Contribution (ADC), as determined by the prior year's valuation and in accordance with the Health Trust's funding policy. As the specific methodology to be used for the adjustments has yet to be determined, there may be differences between the projected results and future experience. This may also include any changes to retiree contributions for KEHP coverage pursuant to KRS 161.675(4)(b).

- In developing the adjustments to the statutory contributions in future years, the following was assumed:
    - Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP.
    - For the purposes of developing estimates for new entrants, active headcounts were assumed to remain flat for all future years.

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 proportionate share of the net OPEB liability	$ 7,464,000	$ 5,618,000	$ 4,089,000

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
District's proportionate share of the net OPEB liability	$ 3,795,000	$ 5,618,000	$ 7,884,000

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

Life Insurance Plan

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

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

Contributions - in order to fund the post-retirement life insurance benefit, 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 KTRS Life Insurance Plan

At June 30, 2025, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the 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	$ -
Commonwealth's proportionate share of the Net OPEB liability associated with the District	114,000
	$ 114,000

The net OPEB liability was measured as of June 30, 2024, and the total pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was based on the actual liability of the employees and former employees relative to the total liability of the Commonwealth as determined by the actuary. At June 30, 2024, the District's proportion was 0.465883%.

For the year ended June 30, 2025, the District recognized OPEB expense of $-0- and revenue of $13,957 for support provided by the State.

Actuarial methods and assumptions - The total OPEB liability was determined by applying procedures to the actuarial valuation as of June 30, 2023. The financial reporting actuarial valuation as of June 30, 2024, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.94%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the Pub-2010 (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, 2021, valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

The long-term expected rate of return on OPEB 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's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	40.0%	5.2%
Developed International Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	21.0%	1.9%
Other Additional Categories	5.0%	4.0%
Real Estate	7.0%	3.2%
Private Equity	5.0%	8.0%
Cash	2.0%	1.6%
Total	100.0%	

Discount rate - The discount rate used to measure the total OPEB liability as of the measurement date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 75. The projection's basis was an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of the life insurance cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The employer will contribute the actuarially determined contribution (ADC) in accordance with the Life Insurance Trust's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies.
- As administrative expenses were assumed to be paid in all years by the employer as they come due, they were not considered.
- Active employees do not contribute to the plan.
- Cash flows occur midyear.

Based on these assumptions, the Life Insurance Trust's fiduciary net position was not projected to be depleted.

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%)
Commonwealth's proportionate share of the net OPEB liability associated with the District	$ 196,000	$ 114,000	$ 48,000

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

County Employees Retirement System Insurance Fund

Plan description: The County Employees Retirement System ("CERS") Insurance Fund was established to provide post-employment healthcare benefits to eligible members and dependents. The CERS Insurance Fund is a cost-sharing, multiple employer defined benefit plan administered by the Kentucky Retirement Systems' (KRS) board of trustees.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. The report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

Benefits provided - CERS health insurance benefits are subject to various participation dates to determine eligibility and health insurance contribution rates. For employees who initiated participation in the CERS system prior to July 1, 2003, KRS pays a percentage of the monthly contribution rate for insurance coverage based on the retired member's years of service and type of service. Non-hazardous members receive a contribution subsidy for only the member's health insurance premium.

Percentage of contribution ranges from 0% for less than 4 years of service to 100% for 20 years or more of service. For members who initiated participation in the CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the KRS health plans. Members who began participating with KRS on or after September 1, 2008, must have 180 months of service upon retirement to participate in the KRS health plans. Non-hazardous retirees receive $10 toward the monthly premium for each full year of service.

Contributions: CERS allocates a portion of the employer contributions to the health insurance benefit plans. For the year ending June 30, 2025, CERS allocated 0.00% of the 19.71% actuarially required contribution rate paid by employers for funding the healthcare benefit. In addition, 1.00% of the contributions by employees hired after September 1, 2008 are allocated to the health insurance plan. During the year ending June 30, 2025, the District contributed $-0- to the CERS Insurance Fund. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Implicit Subsidy: The fully-insured premiums KRS pays for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. This implicit subsidy is included in the calculation of the total OPEB liability (asset).

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to CERS Insurance Fund

At June 30, 2025, the District reported a liability (asset) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2024. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was based on an actuarial valuation as of June 30, 2023. An expected total pension liability (asset) as of June 30, 2024 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability (asset) was based on contributions to CERS during the fiscal year ended June 30, 2024. At June 30, 2024, the District's proportion was 0.246719%.

For the year ended June 30, 2025, the District recognized OPEB expense of approximately $(926,000), including an implicit subsidy of $116,067. 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
Differences between expected and actual experience	$ 236,770	$ 3,357,878

Changes of assumptions	386,710	301,135
Net difference between projected and actual earnings on investments	-	389,457
Changes in proportion and differences between District contributions and proportionate share of contributions	152,938	66,251
District contributions subsequent to the measurement date	-	-
	$ 776,418	$ 4,114,721

Of the total amount reported as deferred outflows of resources related to OPEB, $-0- resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability (asset) in the year ended June 30, 2026.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB are amortized over the average service life of all members. These will be recognized in OPEB expense as follows:

Year	
2026	$ (1,321,050)
2027	(1,034,363)
2028	(934,360)
2029	(48,530)
Thereafter	-
	$ (3,338,303)

Actuarial Methods and Assumptions - The total OPEB liability (asset) in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Payroll Growth Rate	2.00%
Inflation	2.50%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.50%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 7.10% at January 1, 2026 and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.
Post-65	Initial trend starting at 8.00% at January 1, 2026 and gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Non-Hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.

Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year 2010.

Assumption Changes - The discount rate used to calculate the total OPEB liability increased from 5.93% to 5.99% for the nonhazardous plan. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2023, valuation process and was updated to better reflect the plan's anticipated long-term healthcare cost increases. In general, the updated assumption is assuming higher future increases in pre-Medicare healthcare costs.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
Fixed Income		
Core Fixed Income	10.00%	2.85%
Specialty Credit	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected		
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
Total	100.00%	4.69%

Discount rate - The discount rate used to measure the total OPEB liability (asset) was 5.99%. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50%, and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plan's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

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

	1% Decrease (4.99%)	Current discount rate (5.99%)	1% Increase (6.99%)
District's proportionate share of the net OPEB liability (asset)	$ 577,048	$ (426,775)	$(1,270,791)

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

	1% Decrease	Current trend rate	1% Increase
District's proportionate share of the net OPEB liability (asset)	$ (1,026,769)	$ (426,775)	$ 272,175

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at https://kyret.ky.gov.

Payables to the OPEB plan: At June 30, 2025, there was a total payable to CERS OPEB plan of $-0-.

(8) COMMITMENTS AND CONTINGENCIES

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

The District has outstanding construction commitments in the amount of approximately $3,632,000 at June 30, 2025 for the energy project ($455,000), the Cannonsburg Elementary project ($742,000) and the Career and Technical School project ($2,435,000).

The District is subject to certain legal proceedings arising from normal business activities. Administrative officials believe that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the accompanying financial statements.

(9) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions, and general liability coverage, the District carries their insurance with Kentucky Employers' Mutual Insurance (KEMI), which is located in Lexington, Kentucky. KEMI is a mutual insurance company regulated by the Kentucky Department of Insurance. The District pays annual premiums for their coverage. The premium for workers' compensation is based on a formula. The District is assigned a classification code for their industry and each classification code has a corresponding rate. Multiplying the rate times the estimated payroll for operations then dividing by 100 will give the base premium. In some cases, modifiers may also be added, based on eligibility, which may increase or decrease the premium. In other cases, additional coverages may be requested that increase the premium.

The District purchases unemployment insurance through the Kentucky School Boards Association's (KSBA) Unemployment Program; however, the District remains responsible for its own unemployment experience and contributions to the KSBA fund are based on the District's claims. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(10) 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).

(11) ON-BEHALF PAYMENTS

For the year ended June 30, 2025, total payments of $12,360,994 were made by the Commonwealth of Kentucky on behalf of the District for life insurance, health insurance, and KTRS matching and administrative fees, and SFCC debt service. These payments were recognized as on-behalf payments and are recorded in the appropriate revenue and expense accounts on the Statement of Activities and the Government Funds Statement of Revenue, Expenditures and Changes in Fund Balance.

On-behalf payments as June 30, 2025 consisted of the following:

Plan/Description	Amount
Kentucky Teachers Retirement System - GASB 68	$ 5,203,992
Kentucky Teachers Retirement System - GASB 75	480,233
Health Insurance	4,876,099
Life Insurance	6,618
Administrative Fee	52,848
HRA/Dental/Vision	329,175
Federal Reimbursement	(567,734)
Technology	64,028
Debt Service	1,915,735
Total On-Behalf	$ 12,360,994

(12) INTERFUND TRANSACTIONS

Interfund Receivable and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds are eliminated in the Statement of Net Position. The composition of interfund balances as of June 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
Construction Fund	General Fund	$ 451,920
Construction Fund	Food Service Fund	511,831

Interfund Transfers

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Special Revenue	Technology Match	$ 51,938
Debt Service	Building	Debt Service	Debt Service	2,873,436
Debt Service	Capital Outlay	Debt Service	Debt Service	208,433
Operating	Building	General Fund	KISTA & Insurance	270,994
Operating	Construction	Building	Construction purposes	46,680
Operating	Construction	Capital Outlay	Close out projects	2,367

(13) FUND DEFICIT

As of June 30, 2025, the Food Service Fund and Day Care Fund had negative net positions of $1,839,029 and $127,819. These deficits resulted from the funds' proportionate share of the net pension and OPEB liabilities (assets) recorded in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

(14) CONSTRUCTION GRANTS

During the fiscal year end June 30, 2024, the District received funds from the Kentucky State Legislature for building and renovation purposes. The District received $11,477,300 for a major renovation to Cannonsburg Elementary School. The District also received $10,000,000 for the construction of a new Career and Technical Center. The District issued bonds to put towards the Career and Technical Center to assist in the new building construction. The new Career and Technical Center will be located directly attached to Boyd County High School. This new center will house state of the art equipment for the students to receive instruction and training. As of June 30, 2024, funds in the amount of $7,932,070 were still unspent, these funds have been spent during the year ended June 30, 2025.

(15) RESTATEMENT OF BEGINNING NET POSITION AND FUND BALANCES

The beginning net position of the governmental activities has been restated as follows:

During the fiscal year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The adoption of this new accounting principle required a change in the method of recognizing liabilities for compensated absences. As a result, the beginning net position was decreased by $780,906.

During the fiscal year, the District discovered that the June 30, 2024 construction in processes amount was understated by $769,613.

During the fiscal year, the District discovered that a transfer from the General Fund to the Food Service Fund was not properly recorded for the year ending June 30, 2024 in the amount of $50,810.

The cumulative effect of these adjustments is as follows:

Governmental Activities	
Beginning Net Position, as previously reported	$ 8,494,567
Correct construction in process error	769,613
Correct transfer error	(50,810)
Implementation of GASB 101	(780,906)
Beginning Net Position, as restated	$ 7,713,661
General Fund	
Beginning Fund Balance, as previously reported	$ 1,867,947
Correct transfer error	(50,810)
Beginning Fund Balance, as restated	$ 1,817,137
Business-Type Activities	
Beginning Net Position, as previously reported	$ (2,145,342)
Correct transfer error	50,810
Beginning Net Position, as restated	$ (2,094,532)
Food Service Fund	
Fund Balance, as previously reported	$ (1,653,580)
Correct transfer error	50,810
Fund Balance, as restated	$ (1,602,770)

REQUIRED SUPPLEMENTARY INFORMATION

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)
COUNTY EMPLOYEES RETIREMENT SYSTEM:										
District's proportion of the net pension liability	0.246477%	0.250065%	0.243506%	0.234598%	0.226936%	0.221571%	0.224504%	0.224343%	0.223728%	0.213138%
District's proportionate share of the net pension liability	$ 14,740,369	$ 16,045,442	$ 17,603,082	$ 14,957,463	$ 17,405,803	$ 15,583,187	$ 13,672,978	$ 13,131,486	$ 11,015,521	$ 9,163,921
District's covered payroll	$ 7,913,012	$ 7,341,799	$ 6,802,326	$ 6,021,319	$ 5,855,901	$ 5,612,281	$ 5,570,247	$ 5,469,276	$ 5,346,755	$ 4,940,040
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	186.280%	218.549%	258.780%	248.408%	297.235%	277.662%	245.464%	240.096%	206.023%	185.503%
Plan fiduciary net position as a percentage of the total pension liability	61.610%	57.480%	52.420%	57.330%	47.810%	50.450%	53.540%	53.300%	55.500%	59.970%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:										
District's proportion of the net pension liability	0.4869%	0.4758%	0.4585%	0.4729%	0.4548%	0.4486%	0.4412%	0.4344%	0.4456%	0.4534%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability associated with the District	80,065,452	81,080,249	77,681,550	61,544,071	64,458,876	61,213,310	57,769,286	117,225,992	131,446,581	105,518,951
Total	$ 80,065,452	$ 81,080,249	$ 77,681,550	$ 61,544,071	$ 64,458,876	$ 61,213,310	$ 57,769,286	$ 117,225,992	$ 131,446,581	$ 105,518,951
District's covered payroll	$ 17,446,009	$ 19,426,901	$ 18,956,695	$ 17,443,522	$ 16,222,824	$ 15,595,198	$ 15,047,101	$ 14,653,347	$ 14,779,021	$ 14,952,459
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability	60.360%	57.680%	56.410%	65.590%	58.270%	58.800%	59.300%	39.830%	35.220%	42.490%

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
COUNTY EMPLOYEES RETIREMENT SYSTEM:										
Contractually required contribution	$ 1,284,804	$ 1,846,897	$ 1,717,981	$ 1,439,998	$ 1,162,115	$ 1,130,189	$ 910,312	$ 806,572	$ 762,965	$ 664,067
Contributions in relation to the contractually required contribution	1,284,804	1,846,897	1,717,981	1,439,998	1,162,115	1,130,189	910,312	806,572	762,965	664,067
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 6,518,539	$ 7,913,012	$ 7,341,799	$ 6,802,326	$ 6,021,319	$ 5,855,901	$ 5,612,281	$ 5,570,247	$ 5,469,276	$ 5,346,755
District's contributions as a percentage of its covered-employee payroll	19.71%	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:										
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 16,851,120	$ 17,446,009	$ 19,426,901	$ 18,956,695	$ 17,443,522	$ 16,222,824	$ 15,595,198	$ 15,047,101	$ 14,653,347	$ 14,779,021
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
COUNTY EMPLOYEES RETIREMENT SYSTEM INSURANCE FUND:								
District's proportion of the net OPEB liability/asset	0.246719%	0.250055%	0.243464%	0.234543%	0.226875%	0.221513%	0.224495%	0.224343%
District's proportionate share of the net OPEB liability (asset)	$ (426,775)	$ (345,243)	$ 4,804,795	$ 4,490,208	$ 5,478,341	$ 3,725,749	$ 3,985,864	$ 4,510,062
District's covered payroll	$ 7,913,012	$ 7,341,799	$ 6,802,326	$ 6,021,319	$ 5,855,901	$ 5,612,281	$ 5,570,247	$ 5,469,276
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-5.393%	-4.702%	70.635%	74.572%	93.552%	66.386%	71.556%	82.462%
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%
KENTUCKY TEACHER'S RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN:								
District's proportion of the net OPEB liability	0.476599%	0.464587%	0.442913%	0.459624%	0.441933%	0.435249%	0.426461%	0.418753%
District's proportionate share of the net OPEB liability	$ 5,618,000	$ 6,140,000	$ 8,277,000	$ 5,442,000	$ 6,193,000	$ 7,047,000	$ 7,948,000	$ 8,218,000
State's proportionate share of the net OPEB liability associated with the District	5,005,000	5,175,000	2,719,000	4,420,000	4,961,000	5,691,000	6,849,000	6,713,000
Total	$ 10,623,000	$ 11,315,000	$ 10,996,000	$ 9,862,000	$ 11,154,000	$ 12,738,000	$ 14,797,000	$ 14,931,000
District's covered payroll	$ 17,446,167	$ 15,922,690	$ 14,745,434	$ 15,002,252	$ 14,443,539	$ 13,976,063	$ 13,600,872	$ 13,162,677
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	32.202%	38.561%	56.133%	36.275%	42.877%	50.422%	58.437%	62.434%
Plan fiduciary net position as a percentage of the total OPEB liability	59.81%	52.97%	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (ASSET) (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
KENTUCKY TEACHER'S RETIREMENT SYSTEM - LIFE INSURANCE PLAN:								
District's proportion of the net OPEB liability	0.465883%	0.453803%	0.434862%	0.449333%	0.432169%	0.425482%	0.416714%	0.409258%
District's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net OPEB liability associated with the District	114,000	128,000	135,000	59,000	150,000	132,000	118,000	90,000
Total	$ 114,000	$ 128,000	$ 135,000	$ 59,000	$ 150,000	$ 132,000	$ 118,000	$ 90,000
District's covered payroll	$ -	$ 15,922,690	$ 14,745,434	$ 15,002,252	$ 14,443,539	$ 13,976,063	$ 13,600,872	$ 13,162,677
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total OPEB liability	80.560%	76.910%	73.970%	89.150%	71.570%	73.400%	75.000%	79.990%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
COUNTY EMPLOYEES RETIREMENT SYSTEM INSURANCE FUND:									
Contractually required contribution	$ -	$ -	$ 248,797	$ 393,160	$ 286,615	$ 278,741	$ 295,206	$ 261,802	$ 258,701
Contributions in relation to the contractually required contribution	-	-	248,797	393,160	286,615	278,741	295,206	261,802	258,701
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 6,518,539	$ 7,913,012	$ 7,341,799	$ 6,802,326	$ 6,021,319	$ 5,855,901	$ 5,612,281	$ 5,570,247	$ 5,469,276
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%	4.73%
KENTUCKY TEACHER'S RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN:									
Contractually required contribution	$ 505,566	$ 523,385	$ 477,682	$ 442,365	$ 450,068	$ 433,308	$ 419,286	$ 408,027	$ 394,880
Contributions in relation to the contractually required contribution	505,566	523,385	477,682	442,365	450,068	433,308	419,286	408,027	394,880
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 16,852,200	$ 17,446,167	$ 15,922,690	$ 14,745,434	$ 15,002,252	$ 14,443,539	$ 13,976,063	$ 13,600,872	$ 13,162,677
District's contributions as a percentage of its covered-employee payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
KENTUCKY TEACHER'S RETIREMENT SYSTEM - LIFE INSURANCE PLAN:									
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 16,852,200	$ 17,446,167	$ 15,922,690	$ 14,745,434	$ 15,002,252	$ 14,443,539	$ 13,976,063	$ 13,600,872	$ 13,162,677
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

(1) CHANGES OF ASSUMPTIONS

KTRS

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

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

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

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

CERS

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%.
- Decreased the assumed rate of return to 6.25%.
- Decreased the payroll growth assumption to 2.00%.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% (varies by service).
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
- The mortality table used for post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

For the valuation performed as of June 30, 2023, demographic and economic assumptions were updated based on the 2022 experience study and the single discount rates used to calculate the total pension liability was changed to 6.50%. A 1% increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 is assumed to reflect the shift in retirement pattern due to House Bill 506. Additionally, in conjunction with the review of the healthcare per capita claims cost, the assumed increase in the future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the non-Medicare Plans was increased during the select period as a result of this review.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

KTRS

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	22.9 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increase	3.5% to 7.3%, including inflation
Investment Rate of Return	7.1%, net of pension plan investment expense, including inflation

CERS

The following actuarial methods and assumptions were used to determine contribution rates for the year ending June 30, 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Remaining Amortization Period	30 years, closed
Payroll Growth	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation

Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Phase-in provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

(3) CHANGES OF BENEFITS

KTRS

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

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The Total Pension Liability as of June 30, 2019 is determined using these updated benefit provisions.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for qualified members who become "totally and permanently disabled" as a result of a duty-related disability. The minimum disability benefit increased from 25% of the member's monthly final rate of pay to 75% of the member's monthly average pay. The insurance premium for the member, the member's spouse, and the member's dependent children shall also be paid in full by the System. For non-hazardous members to be eligible for this benefit, they must be working in a position that could be certified as a hazardous position. There were no other material plan provision changes since the prior valuation.

Senate Bill 209 passed during the 2022 legislative session increased the insurance dollar contribution for members hired on or after July 1, 2003 by $5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Options (PLSO) form of payment for members retiring on or after January 1, 2024. The bill introduced an expansion of the lump-sum payment options, allowing for payouts equal to 48 or 60 times the member's Basic, or Survivorship 100% monthly retirement allowance. The lifetime monthly retirement allowance is adjusted actuarially to account for the selected lump sum payment option. House Bill 506 additionally modified the minimum separation period required for a retiree to reemploy with a participating employer of the Systems administered by the KPPA while still receiving their retirement allowance. This adjustment standardized the separation period to one month for all scenarios within each plan for retirement dates effective January 1, 2024 and after.

(1) CHANGES OF ASSUMPTIONS

KTRS

Medical Insurance Plan & Life Insurance Plan: The following change of assumptions were adopted by the Board of Trustees and reflected in the liability measurement as of June 30, 2020:

- 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 Pub-2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs and adjustments for each of the groups: service retirees, contingent annuitants, disabled retirees and actives.
- The assumed long-term investment rate of return was changed from 7.5% to 7.1%. The price inflation assumption was lowered from 3% to 2.5%.
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

For 2022, the health care trend rates were updated to reflect future anticipated experience.

For 2024, the health care trend rates, as well as the morbidity factors, were updated to reflect future anticipated experience.

CERS Insurance Fund

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%.
- Decreased the assumed rate of return to 6.25%.
- Decreased the payroll growth assumption to 2.00%.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% (varies by service).
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
- The mortality table used for post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

For the June 30, 2020 measurement date, the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The assumed impact of the Cadillac Tax (previously a 0.9% load on employer paid non-Medicare premiums for those who became participants prior to July 1, 2003) was removed to reflect its repeal since the prior valuation.

For the June 30, 2022 measurement date, the single discount rates used to calculate the total OPEB liability was changed to 5.70%.

For the valuation performed as of June 30, 2023, demographic and economic assumptions were updated based on the 2022 experience study and the single discount rates used to calculate the total OPEB liability was changed to 5.93%. A 1% increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 is assumed to reflect the shift in retirement pattern due to House Bill 506. Additionally, in conjunction with the review of the healthcare per capita claims cost, the assumed increase in the future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the non-Medicare Plans was increased during the select period as a result of this review.

For the valuation performed as of June 30, 2024, the discount rate used to calculate the total OPEB liability increased from 5.93% to 5.99% for the nonhazardous plan. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2023, valuation process and was updated to better reflect the plan's anticipated long-term healthcare cost increases. In general, the updated assumption is assuming higher future increases in pre-Medicare healthcare costs.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

KTRS

Medical Insurance Plan – The Health Trust is not funded based on an actuarially determined contribution, but instead is funded based on statutorily determined amounts.

Life Insurance Plan - The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	23 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	2.50%
Real wage growth	0.50%
Wage inflation	2.75%
Salary increases, including wage inflation	3.50% - 7.50%, including wage inflation
Discount rate	7.10%

CERS Insurance Fund

The following actuarial methods and assumptions, for actuarially determined contributions effective for fiscal year ending June 30, 2024:

Experience Study	July 1, 2008 – June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.20% at January 1, 2024, gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years. The 2023 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 9.00% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years. The 2023 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

(3) CHANGES OF BENEFITS

KTRS

Medical Insurance Plan – A new benefit tier was added for members joining the System on and after January 1, 2022.

Life Insurance Plan - A new benefit tier was added for members joining the System on and after January 1, 2022.

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2019, is determined using these updated benefit provisions.

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

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Options (PLSO) form of payment for members retiring on or after January 1, 2024. The bill introduced an expansion of the lump-sum payment options, allowing for payouts equal to 48 or 60 times the member's Basic, or Survivorship 100% monthly retirement allowance. The lifetime monthly retirement allowance is adjusted actuarially to account for the selected lump sum payment option. House Bill 506 additionally modified the minimum separation period required for a retiree to reemploy with a participating employer of the Systems administered by the KPPA while still receiving their retirement allowance. This adjustment standardized the separation period to one month for all scenarios within each plan for retirement dates effective January 1, 2024 and after.

SUPPLEMENTAL INFORMATION

BOYD COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Capital Project Funds	District Activity Fund	Student Activity Fund	Total Non-Major Governmental Funds
ASSETS:				
Cash and cash equivalents	$ 98,841	$ 125,784	$ 410,310	$ 634,935
Accounts receivable	-	-	185	185
Total assets	$ 98,841	$ 125,784	$ 410,495	$ 635,120
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	$ -	$ 11,669	$ 6,938	$ 18,607
Total liabilities	-	11,669	6,938	18,607
Fund Balances:				
Restricted	93,161	-	403,557	496,718
Committed	-	114,115	-	114,115
Assigned	5,680	-	-	5,680
Total fund balance	98,841	114,115	403,557	616,513
Total liabilities and fund balances	$ 98,841	$ 125,784	$ 410,495	$ 635,120

BOYD COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Capital Project Funds	District Activity Fund	Student Activity Fund	Total Non-Major Governmental Funds
REVENUES:				
From local sources -				
Property taxes	$ 1,946,320	$ -	$ -	$ 1,946,320
Interest income	62	-	-	62
Other Local Revenues	-	27,715	808,338	836,053
Miscellaneous	-	-	84,959	84,959
Intergovernmental - State	1,407,231	-	-	1,407,231
Total revenues	3,353,613	27,715	893,297	4,274,625
EXPENDITURES:				
Current -				
Instruction	-	41,056	802,148	843,204
Support services:				
Instructional staff	-	18,294	-	18,294
Student transportation	-	-	-	-
Other non-instruction	-	-	65,893	65,893
Total expenditures	-	59,350	868,041	927,391
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,353,613	(31,635)	25,256	3,347,234
OTHER FINANCING SOURCES (USES):				
Operating transfers in	49,047	-	-	49,047
Operating transfers out	(3,352,863)	-	-	(3,352,863)
Total other financing sources (uses)	(3,303,816)	-	-	(3,303,816)
NET CHANGE IN FUND BALANCES	49,797	(31,635)	25,256	43,418
FUND BALANCE JUNE 30, 2024	49,044	145,750	378,301	573,095
FUND BALANCE JUNE 30, 2025	$ 98,841	$ 114,115	$ 403,557	$ 616,513

BOYD COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2025

	SEEK Funds	FSPK Fund	Boyd County School District Finance Corporation	Total Capital Project Funds
ASSETS:				
Cash and cash equivalents	$ 93,161	$ -	$ 5,680	$ 98,841
Accounts receivable	-	-	-	-
Total assets	$ 93,161	$ -	$ 5,680	$ 98,841
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
Fund Balances:				
Restricted for KSFCC Escrow	93,161	-	-	93,161
Assigned	-	-	5,680	5,680
Total fund balance	93,161	-	5,680	98,841
Total liabilities and fund balances	$ 93,161	$ -	$ 5,680	$ 98,841

BOYD COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SEEK Funds	FSPK Fund	Boyd County School District Finance Corporation	Total Capital Project Funds
REVENUES:				
From local sources -				
Property taxes	$ -	$ 1,946,320	$ -	$ 1,946,320
Earnings on investments	-	-	62	62
Other local revenues	-	-	-	-
Intergovernmental - State	255,801	1,151,430	-	1,407,231
Total revenues	255,801	3,097,750	62	3,353,613
EXPENDITURES:				
Current -				
Debt service	-	-	-	-
Building improvements	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	255,801	3,097,750	62	3,353,613
OTHER FINANCING SOURCES (USES):				
Operating transfers in	2,367	46,680	-	49,047
Operating transfers out	(208,433)	(3,144,430)	-	(3,352,863)
Total other financing sources (uses)	(206,066)	(3,097,750)	-	(3,303,816)
NET CHANGE IN FUND BALANCES	49,735	-	62	49,797
FUND BALANCE JUNE 30, 2024	43,426	-	5,618	49,044
FUND BALANCE JUNE 30, 2025	$ 93,161	$ -	$ 5,680	$ 98,841

BOYD COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2025

	1972 & 1978 Bond Fund	2014R Bond Fund	2015 Bond Fund	2017 Bond Fund	2019 Bond Fund	2021 Bond Fund	2023 Bond Fund	2023E Bond Fund	Totals Debt Service Fund
ASSETS:									
Cash and cash equivalents	$ 27,413	$ 31,068	$ 1,412	$ 407	$ 1,450	$ -	$ 565	$ 59	$ 62,374
Accounts receivable	-	-	-	-	-	-	-	-	-
Total assets	$ 27,413	$ 31,068	$ 1,412	$ 407	$ 1,450	$ -	$ 565	$ 59	$ 62,374
LIABILITIES AND FUND BALANCE:									
Liabilities:									
Accounts payable	$ 27,413	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,413
Total liabilities	27,413	-	-	-	-	-	-	-	27,413
Fund Balances:									
Restricted	-	31,068	1,412	407	1,450	-	565	59	34,961
Total fund balance	-	31,068	1,412	407	1,450	-	565	59	34,961
Total liabilities and fund balances	$ 27,413	$ 31,068	$ 1,412	$ 407	$ 1,450	$ -	$ 565	$ 59	$ 62,374

BOYD COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	1972 & 1978 Bond Fund	2014R Bond Fund	2015 Bond Fund	2017 Bond Fund	2019 Bond Fund	2021 Bond Fund	2023 Bond Fund	2023E Bond Fund	Totals Debt Service Fund
REVENUES:									
Intergovernmental - State	$ -	$ 291,568	$ 1,369,238	$ 78,655	$ -	$ 52,525	$ 123,749	$ -	$ 1,915,735
Interest income	-	11,872	655	79	300	-	613	249	13,768
Total revenues	-	303,440	1,369,893	78,734	300	52,525	124,362	249	1,929,503
EXPENDITURES:									
Debt service	-	2,503,570	1,544,525	103,038	145,934	52,525	468,912	183,354	5,001,858
Total expenditures	-	2,503,570	1,544,525	103,038	145,934	52,525	468,912	183,354	5,001,858
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(2,200,130)	(174,632)	(24,304)	(145,634)	-	(344,550)	(183,105)	(3,072,355)
OTHER FINANCING SOURCES (USES):									
Bond proceeds	-	-	-	-	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-
Operating transfers in	-	2,212,002	175,287	24,383	145,934	-	343,823	180,440	3,081,869
Total other financing sources (uses)	-	2,212,002	175,287	24,383	145,934	-	343,823	180,440	3,081,869
NET CHANGE IN FUND BALANCES	-	11,872	655	79	300	-	(727)	(2,665)	9,514
FUND BALANCE JUNE 30, 2024	-	19,196	757	328	1,150	-	1,292	2,724	25,447
FUND BALANCE JUNE 30, 2025	$ -	$ 31,068	$ 1,412	$ 407	$ 1,450	$ -	$ 565	$ 59	$ 34,961

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF GRANT, RECEIPTS,
DISBURSEMENTS AND FUND BALANCE
HEAD START GRANTS
FOR THE YEAR ENDED JUNE 30, 2025

	Headstart Grant No. 04-CH-011039-05-00				Headstart Grant No. 04-CH-012751-01-00	
AMOUNT OF GRANT				$ 2,190,656		$ 2,241,617
	Budget	Actual Prior Year	Actual Current Year	Total	Budget	Actual
RECEIPTS -						
OCD Funds -						
Grant funds	$ 2,190,656	$ 1,868,190	$ 322,466	$ 2,190,656	$ 2,241,617	$ 2,018,842
Grantee's contributions	508,194	508,194	-	508,194	560,404	560,404
	2,698,850	2,376,384	322,466	2,698,850	2,802,021	2,579,246
DISBURSEMENTS -						
OCD's Share -						
Head Start Full-Year/Part-Day (PA 20 & 22)						
Direct costs -						
Personnel	1,374,299	1,226,167	141,312	1,367,479	1,425,260	1,395,382
Fringe benefits	587,862	566,206	86,690	652,896	591,854	610,254
Supplies	75,548	102,351	9,718	112,069	60,548	86,592
Contractual	75,595	11,251	6,398	17,649	80,595	27,613
Travel	18,500	3,692	159	3,851	8,500	5,953
Vehicles	-	-	-	-	10,000	-
Machinery and equipment	-	-	-	-	25,000	7,872
Buildings	-	-	-	-	-	-
Other	58,852	36,712	-	36,712	39,860	23,176
	2,190,656	1,946,379	244,277	2,190,656	2,241,617	2,156,842
Grantee's Share -						
Head Start Full-Year/Part-Day (PA 20 & 22)	508,194	508,194	-	508,194	560,404	560,404
Grantee's Total	508,194	508,194	-	508,194	560,404	560,404
Total disbursements	2,698,850	2,454,573	244,277	2,698,850	2,802,021	2,717,246
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(78,189)	78,189	-	-	(138,000)
ACCOUNTS RECEIVABLE	-	78,189	(78,189)	-	-	138,000
UNEARNED REVENUE	-	-	-	-	-	-
FUND BALANCE, JUNE 30, 2025	$ -	$ -	$ -	$ -	$ -	$ -

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Cash Balance June 30, 2024	Receipts	Disbursements	Transfers	Cash Balance June 30, 2025	Accounts Receivable	Accounts Payable	Restricted Fund Balance June 30, 2025
Boyd County High School	$ 125,970	$ 461,988	$ 453,504	$ -	$ 134,454	$ -	$ 761	$ 133,693
Boyd County Middle School	73,444	89,572	97,955	-	65,061	185	6,177	59,069
Cannonsburg Elementary	10,465	69,767	59,997	-	20,235	-	-	20,235
Ponderosa Elementary	14,791	49,935	47,669	-	17,057	-	-	17,057
Summit Elementary	54,082	97,316	93,043	-	58,355	-	-	58,355
Catlettsburg Elementary	14,763	18,981	21,870	-	11,874	-	-	11,874
Early Childhood Learning Center	4,464	-	-	-	4,464	-	-	4,464
Family Resource Center West	18,987	45,831	29,545	-	35,273	-	-	35,273
Youth Services Center	37,063	-	-	(37,063)	-	-	-	-
Youth Services Center - Middle School	-	11,186	14,472	18,531	15,245	-	-	15,245
Youth Services Center - High School	-	29,442	21,876	18,532	26,098	-	-	26,098
Vocational School	16,511	22,856	20,700	-	18,667	-	-	18,667
Charitable Gaming	30	-	20	-	10	-	-	10
William P Edison Scholarship Fund	1,751	-	1,349	-	402	-	-	402
William P Edison Scholarship CD	3,031	84	-	-	3,115	-	-	3,115
	$ 375,352	$ 896,958	$ 862,000	$ -	$ 410,310	$ 185	$ 6,938	$ 403,557

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
BOYD COUNTY HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2025

	Cash Balance June 30, 2024	Receipts	Disburse-ments	Cash Balance June 30, 2025	Accounts Receivable (Accounts Payable)	Restricted Fund Balance June 30, 2025
Academics	$ 1,245	$ 796	$ 1,277	$ 764	$ -	$ 764
AP Exams	13,534	3,384	4,926	11,992	-	11,992
AP Lit	79	-	-	79	-	79
Archery	1,507	19,771	17,465	3,813	-	3,813
Archery 3D Benefit	-	4,636	4,636	-	-	-
Art	69	-	-	69	-	69
Astro/Science Grant	5	-	-	5	-	5
Athletics	524	148,852	133,196	16,180	-	16,180
Athletic Concessions	3,818	-	1,890	1,928	-	1,928
Athletic Start Up	3,000	3,000	3,000	3,000	-	3,000
Band	-	4,000	3,466	534	(461)	73
Baseball	594	5,240	5,834	-	-	-
Basketball Friendship	348	-	348	-	-	-
Bass Fishing Club	1,002	850	-	1,852	-	1,852
BCHS Lions Club	47	-	-	47	-	47
Beta Club	1,240	6,526	6,856	910	-	910
Boyd's Bistro	123	88	-	211	-	211
Boys BK Boosters	4,042	20,822	24,248	616	-	616
Boyd Co BBK Program	1,855	23,983	24,407	1,431	-	1,431
Boyd Sparkle	1,027	-	-	1,027	-	1,027
Boys Golf	-	5,236	5,236	-	-	-
Boys/Girls Track	12,299	7,501	6,153	13,647	-	13,647
Boys Soccer	-	6,537	5,385	1,152	-	1,152
Bus Transportation	-	1,790	1,790	-	-	-
C Stewart Scholarship	-	500	500	-	-	-
Choir	3,378	200	2,429	1,149	-	1,149
Counselors	-	1,070	966	104	-	104
Cross Country/Track	-	3,650	3,625	25	-	25
District Funds	10,580	8,071	10,817	7,834	-	7,834
Drama Club	1,104	-	-	1,104	-	1,104
English Department	283	34	-	317	-	317
FAFSA Challenge	250	-	43	207	-	207
Family Consumer Science	22	-	-	22	-	22
FCA	16	1,250	1,250	16	-	16
FCCLA	561	-	-	561	-	561
FFA	68	-	68	-	-	-
Film Club	59	-	-	59	-	59
First Priority	72	-	-	72	-	72
FMD / Autism	64	-	-	64	-	64
Football	-	16,305	16,305	-	-	-
Friendship Fund	165	4,875	4,970	70	-	70
Girls Basketball Boosters	4,996	46,000	44,429	6,567	-	6,567
Girls Golf	2,552	9,285	9,744	2,093	-	2,093
Girls Soccer Boosters	-	5,560	5,560	-	-	-
Guitar	207	-	-	207	-	207
Horticulture	1	-	1	-	-	-
JAG	357	-	113	244	-	244
Junior Class	3,421	15,558	15,761	3,218	-	3,218

BOYD COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS
BOYD COUNTY HIGH SCHOOL - CONCLUDED
FOR THE YEAR ENDED JUNE 30, 2025

	Cash Balance June 30, 2024	Receipts	Disburse-ments	Cash Balance June 30, 2025	Accounts Receivable (Accounts Payable)	Deposits Held in Custody for Students June 30, 2025
Key Club	332	24,720	24,988	64	-	64
Leo's Locker	1,789	-	-	1,789	-	1,789
Library	292	-	268	24	-	24
Math	393	1,189	727	855	-	855
Mu Alpha Theta	287	-	-	287	-	287
National Honor Society	253	1,275	493	1,035	-	1,035
NJROTC - FR	1,936	28,845	22,779	8,002	(300)	7,702
NJROTC - UMS	19,925	7,600	21,774	5,751	-	5,751
PBIS Fund	-	500	-	500	-	500
Pep Club	1,642	282	185	1,739	-	1,739
Pollution Solution Club	50	-	-	50	-	50
Registrar	159	462	58	563	-	563
Science Olympic Grant	-	3,755	1,216	2,539	-	2,539
Science Department	-	5,000	1,581	3,419	-	3,419
Senior Class	2,741	6,269	4,347	4,663	-	4,663
Senior Class Trip Fund	150	-	-	150	-	150
Snoddy Scholarship	-	1,000	1,000	-	-	-
Softball Boosters	-	4,232	4,232	-	-	-
Special Needs Grade	400	-	-	400	-	400
Sports Medicine	50	-	-	50	-	50
Student Council	2,011	1,000	2,000	1,011	-	1,011
Swimming	732	1,277	978	1,031	-	1,031
Tennis	767	128	66	829	-	829
Univ. Tennis Found Grant	50	-	50	-	-	-
Varsity Cheerleaders	10,060	1,400	11,460	-	-	-
Volleyball Boosters	1,185	23,324	17,078	7,431	-	7,431
World Language Club	2,275	-	-	2,275	-	2,275
Wrestling	-	4,324	3,144	1,180	-	1,180
Writing Project	66	-	-	66	-	66
Y-Club	750	786	-	1,536	-	1,536
Yearbook	3,161	2,592	1,728	4,025	-	4,025
	125,970	495,330	486,846	134,454	(761)	133,693
Less: Intrafund Transfers	-	(33,342)	(33,342)	-	-	-
	$ 125,970	$ 461,988	$ 453,504	$ 134,454	$ (761)	$ 133,693

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Program or Award Amount	Expenditures
U.S. Department of Education					
Passed through State Department of Education:					
Twenty-First Century Community Learning Centers	84.287	3400002-22	-	$ 103,280	$ 1,485
					1,485
Title I Grants to Local Educational Agencies	84.010	3100202-21	-	1,246,278	(1,320)
Title I Grants to Local Educational Agencies	84.010	3100202-22	-	1,211,650	36,422
Title I Grants to Local Educational Agencies	84.010	3100202-23	-	1,226,266	9,803
Title I Grants to Local Educational Agencies	84.010	3100202-24	-	1,226,266	1,033,021
Title I Grants to Local Educational Agencies	84.010	3100202-24	-	140,025	136,254
Title I Grants to Local Educational Agencies	84.010	3100202-23	-	132,813	295
					1,214,475
Special Education Cluster (IDEA):					
Special Education Grants to States - IDEA, Part B	84.027	3810002-23	-	864,132	360,276
Special Education Grants to States - IDEA, Part B	84.027	3810002-24	-	864,132	523
Special Education Preschool Grants	84.173	3800002-23	-	45,648	3,677
Special Education Preschool Grants	84.173	3800002-24	-	43,992	41,054
					405,530
Title IV (Part A) - Student Support and Academic Enrichment Program	84.424A	3420002-23	-	85,135	4,380
Title IV (Part A) - Student Support and Academic Enrichment Program	84.424A	3420002-22	-	81,941	28,737
Title IV (Part A) - Student Support and Academic Enrichment Program	84.424F	3860002-22		434,537	199,980
					233,097
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	4300002-21	-	7,776,537	4,762
					4,762
Career and Technical Education - Basic Grants to States	84.048	3710002-23	-	53,916	2,318
Career and Technical Education - Basic Grants to States	84.048	3710002-23	-	52,059	48,203
					50,521
Total U.S. Department of Education					1,909,870
U.S. Department of Health & Human Services					
Direct Program:					
Head Start	93.600	655L	-	2,241,617	2,156,842 *
Head Start	93.600	655K	-	2,190,656	244,277 *
Total U.S. Department of Health and Human Services					2,401,119

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Program or Award Amount	Expenditures
U.S. Department of Defense					
Direct Program:					
Basic, Applied, and Advanced Research in Science and Engineering	12.630	ROTC	-	-	52,712
Total U.S. Department of Defense		(General Fund)			52,712
U.S. Department of Agriculture					
Cash Assistance:					
Child Nutrition Discretionary Grants Limited Availability	10.579	7840027S-23S	-	-	25,000
Summer Electronic Benefit Transfer Program for Children	10.646	3372500-25	-	-	6,000
Child and Adult Care Food Program	10.558	7790021-25	-	-	57,202
Child and Adult Care Food Program	10.558	7790021-24	-	-	3,510
State Administrative Expenses for Child Nutrition	10.560	7700001-24	-	-	3,074
					94,786
Child Nutrition Cluster:					
Summer Food Service Program for Children	10.559	7690024-24	-	-	17,224
Summer Food Service Program for Children	10.559	7690024-25	-	-	606
Summer Food Service Program for Children	10.559	7740023-24	-	-	167,016
National School Lunch Program	10.555	7750002-25	-	-	1,160,612
National School Lunch Program	10.555	7750002-24	-	-	168,262
School Breakfast Program	10.553	7760005-24	-	-	63,354
School Breakfast Program	10.553	7760005-25	-	-	388,629
Cash Assistance Subtotal					1,965,703
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555	013-0100	-	-	161,735
Total Child Nutrition Cluster					2,127,438
Total U.S. Department of Agriculture					2,222,224
Total Expenditures of Federal awards					$ 6,585,925

* Denotes a major program.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Boyd County School District under the programs of the federal government for the year ended June 30, 2025. 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 District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, commodities on hand are included in the total inventory of $54,910.

NOTE D - INDIRECT COST RATE

The Boyd County School District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Kelley Galloway Smith Goolsby, PSC
Certified Public Accountants and Advisors
1200 Corporate Court • P. O. Box 990 • Ashland, Kentucky 41105
• Phone (606) 329-1811 (606) 329-1171 • Fax (606) 329-8756 (606) 325-0590
• Web www.kgsgcpa.com Member of Allinial GLOBAL

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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Boyd County School District
Ashland, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities* and *State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boyd County School District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 11, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001 to 2025-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2025-003.

We noted certain matters that we reported to management of the District in a separate letter dated May 11, 2026.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

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.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
May 11, 2026

Kelley Galloway
Smith Goolsby, PSC
Certified Public Accountants and Advisors

1200 Corporate Court • P. O. Box 990 • Ashland, Kentucky 41105
• Phone (606) 329-1811 (606) 329-1171 • Fax (606) 329-8756 (606) 325-0590
• Web www.kgsgcpa.com Member of Allinial GLOBAL

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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Boyd County School District
Ashland, Kentucky

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited Boyd County School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
May 11, 2026

BOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

(A) SUMMARY OF AUDIT RESULTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified			
Internal Control over financial reporting:				
Material weakness(es) identified?	x	yes	____	no
Significant deficiency(ies) identified?	____	yes	x	none reported
Noncompliance material to the financial statements noted?	x	yes	____	no
Federal Awards				
Internal control over major programs:				
Material weakness(es) identified?	____	yes	x	no
Significant deficiency (ies) identified?	____	yes	x	none reported
Type of audit auditor's report issued on Compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____	yes	x	no

The District had the following major programs with AL numbers in parentheses for the year ended June 30, 2025:

Head Start (93.600)

Dollar threshold to distinguish between Type A and Type B Programs:	$ 750,000			
The District qualified as a low risk auditee?	x	yes	____	no

(B) FINDINGS RELATED TO FINANCIAL STATEMENTS IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

2025-001 – Cash Reconciliations

Condition: When we arrived onsite September 29, 2025, we noted that the District's main operating cash account had not been reconciled for June 30, 2025. Upon further discussion, we were informed that the last time the account had been reconciled was December 2024.

Criteria: The operating cash account should be reconciled and reviewed monthly to ensure that all transactions on the statement are accurate and all general ledger posting has occurred.

Cause: A large number of transactions, primarily deposits, had been incorrectly recorded. We noted instances where deposits were 1) recorded twice, 2) recorded for the incorrect amount, or 3) not recorded at all. These errors made it difficult to reconcile the account without going through every single transaction.

Effect: This decreases the controls within the District resulting in an increased risk over the District's assets. This also caused a large delay in our ability to complete the audit process.

Recommendation: We recommend that controls and procedures be put into place to ensure that all cash accounts are properly reconciled monthly and agreed to the MUNIS balance. Any reconciling differences should be corrected as soon as reasonably possible.

Management's Response: During the 24-25 year, there were 3 Directors of Finance due to turnover. The new Director will ensure that monthly cash reconciliations are being completed and agree to MUNIS. The new Director has developed and implemented the monthly procedure to complete the reconciliation when preparing the monthly board report and filing each in a binder that is easily accessible.

2025-002 – Account Reconciliations

Condition: During our audit, we noted some general ledger accounts that were not properly reconciled when we arrived for the audit, the accounts included (but were not limited to) cash, accounts receivable, inventory, accounts payable, advances from grantors and various revenue accounts. We also noted that Special Revenue Fund had not been properly reconciled and closed out.

Criteria: Account balances should be reconciled periodically to ensure that all supporting subsidiary ledgers agree to the general ledger within MUNIS.

Cause: The current Director of Finance has been working diligently to discover weaknesses in internal control and establish new procedures; however, she had not fully completed the process which led to several accounts being unreconciled when we arrived for our audit procedures.

Effect: This decreases the controls within the District resulting in an increased risk over the District's assets. This also caused a large delay in our ability to complete the audit process.

Recommendation: We recommend that controls and procedures be put into place to ensure that account balances are properly reconciled from the supporting subsidiary ledgers or other documentation to the general ledger within MUNIS. Any reconciling differences should be corrected as soon as reasonably possible.

Management's Response: The new Director of Finance will ensure accounts are reconciled and that the special revenue fund is properly closed out for the year.

2025-003 – Cash Oversite – Use of Restricted Bond Proceeds

Condition: During the fiscal year, the District used restricted cash held in the Construction Fund, which consisted of bond proceeds, to pay expenditures of the General Fund and Food Service Fund when these funds experienced a cash deficit. The District was unaware that these funds had depleted its available cash balance at the time the expenditures were made. Upon discovery, the District recorded interfund receivable and payable balances to reflect the amounts due between funds.

Criteria: Bond proceeds are restricted for specific capital-related purposes in accordance with bond covenants and applicable state laws and regulations. Additionally, sound internal controls require the District to monitor cash balances by fund and ensure that restricted resources are used only for their intended purposes.

Cause: The District did not have adequate internal controls in place to monitor fund-level cash balances or to prevent deficit cash positions within the funds. As a result, restricted funds were inadvertently used to finance operations of other funds.

Effect: The use of restricted bond proceeds for the General Fund, Special Revenue Fund and Food Service Fund expenditures represents noncompliance with bond covenants and applicable requirements governing the use of restricted resources. In addition, the lack of effective cash monitoring increases the risk of unauthorized use of funds and misstatements of financial activity.

Recommendation: The District should strengthen internal controls over cash management by implementing procedures to regularly monitor cash balances by fund, prevent cash deficit positions, and ensure that restricted funds are used solely for their intended purposes. The District should also consider updating finance department procedures regarding interfund borrowing, including proper authorization and timely repayment.

Management's Response: The new Director of Finance will monitor cash daily by checking the bank balance. The new Director will also change processes for how purchases are made and approved. Management will update internal processes to prevent this from happening in the future.

(C) FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

There were no findings in the current year.

BOYD COUNTY PUBLIC SCHOOLS

1104 Bob McCullough Drive
Ashland, KY 41102

William L. Boblett Jr.
Superintendent

Phone: (606) 928-4141
FAX: (606) 928-4771

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2025

Finding Number: 2025-001

Corrective Action Plan: During the 24-25 year, there were 3 Directors of Finance due to turnover. The new Director will ensure that monthly cash reconciliations are being completed and agree to MUNIS. The new Director has developed and implemented the monthly procedure to complete the reconciliation when preparing the monthly board report and filing each in a binder that is easily accessible.

Estimated Completion: 2025-2026 fiscal year

Responsible Contact Person: Tiffany Brooks, Director of Finance

Finding Number: 2025-002

Corrective Action Plan: The new Director of Finance will ensure accounts are reconciled and that the special revenue fund is properly closed out for the year.

Estimated Completion: 2025-2026 fiscal year

Responsible Contact Person: Tiffany Brooks, Director of Finance

Finding Number: 2025-003

Corrective Action Plan: The new Director of Finance will monitor cash daily by checking the bank balance. The new Director will also change processes for how purchases are made and approved. Management will update internal processes to prevent this from happening in the future.

Estimated Completion: 2025-2026 fiscal year

Responsible Contact Person: Tiffany Brooks, Director of Finance

BOYD COUNTY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2025

There were no findings in the prior year.

Kelley Galloway Smith Goolsby, PSC
Certified Public Accountants and Advisors
1200 Corporate Court • P. O. Box 990 • Ashland, Kentucky 41105
• Phone (606) 329-1811 (606) 329-1171 • Fax (606) 329-8756 (606) 325-0590
• Web www.kgsgcpa.com Member of Allinial GLOBAL

Kentucky State Committee for School District Audits
Members of the Board of Education
Boyd County School District
Ashland, Kentucky

In planning and performing our audit of the financial statements of Boyd County School District (the "District") as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated May 11, 2026, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
May 11, 2026

BOYD COUNTY SCHOOL DISTRICT

MANAGEMENT LETTER POINTS

FOR THE YEAR ENDED JUNE 30, 2025

2025-01 District Credit Cards

Statement of Condition: During our testing of the District's credit cards, we noted instances in which the credit card log was not dated when the credit card was checked out or checked back in. We also noted that the initials of the designee were missing.

Criteria for Condition: District procedures are to date the credit card log when the credit card is checked out and back in as well as for the designee to initial the log.

Cause of Condition: Human error / oversight.

Effect of Condition: If the credit card is improperly used it could be difficult to know who had the card at that time.

Recommendation of the Condition: We recommend that more care be taken to ensure the credit card log is properly completed.

Management Response: Credit card must be checked in or out by a finance team member or the director. The Director will periodically check the log to verify completion.

2025-02 Budget Publication

Statement of Condition: During our testing of the District's compliance with laws and regulations, we noted that the budget was not published in the newspaper.

Criteria for Condition: KRS 424.250 states in part "… the board of education of the district shall cause the budget to be advertised for the district by publishing a copy of the budget in a newspaper."

Cause of Condition: Oversight.

Effect of Condition: Failure to follow required KRS.

Recommendation of the Condition: We recommend that more care be taken to ensure that the budget is properly published.

Management Response: Previous Director of Finance was transitioning out of the position May/June of 2025. The new Director will ensure the tentative budget is posted as required.

2025-03 Deposits – Activity Funds

Statement of Condition: During our review of cash deposits, we selected 20 deposits for testing. We noted the following:

- High School – Two deposits over $100 that were not deposited the same day.
- Middle School – Two deposits over $100 that were not deposited the same day.
- Middle School – Two deposits in which the Ticket Sales form was not properly completed. The form was not signed by the ticket seller, ticket taker or person in charge of sales.
- Middle School – One deposit in which the Multiple Receipt form was not properly completed. The form was not signed by the person remitting the money.
- Ponderosa Elementary – One deposit over $100 that was not deposited the same day.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds ("Redbook"), deposits greater than $100 should be deposited the same day and deposits less than $100 should be deposited no later than the last workday of the week. Also, all Redbook required forms should be properly completed and include all required signatures.

Cause of Condition: Failure to properly follow Redbook criteria.

Effect of Condition: By not depositing the money in accordance with Redbook, the controls over cash are reduced opening the opportunity for the money to be forgotten, lost, or stolen. Also, by not fully completing the required Redbook forms, the School does not know who collected the money if inconsistencies arise.

Recommendation of the Condition: We recommend that individuals involved receive additional Redbook training. We also recommend that the individuals be held accountable for reviewing all forms to ensure that they are properly completed.

Management Response: Previous Director of Finance was transitioning out of the position May/June of 2025. The new Director will ensure the Redbook training is mandatory for all bookkeepers and principals annually. Additional training at any school requiring it as needed.

2025-04 Deposits Timeliness and Receipts Form – Family Resource Center West

Statement of Condition: During our review of cash deposits, we noted two deposits that were not deposited timely. We also noted that the Multiple Receipt Form F-SA-6 was not being properly utilized for these deposits.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds ("Redbook"), deposits greater than $100 should be deposited the same day and deposits less than $100 should be deposited no later than the last workday of the week. Per the Accounting Procedures for Kentucky School Activity Funds ("Redbook"), "Teachers, sponsors, and coaches shall use the Multiple Receipt Form (Form F-SA-6) when collecting money."

Cause of Condition: Failure to properly follow Redbook criteria.

Effect of Condition: By not depositing the money in accordance with Redbook the controls over cash are reduced opening the opportunity for the money to be forgotten, lost, or stolen. By not properly utilizing Redbook required forms, it can be difficult to know who collected the money which decreases the controls over the cash collecting process.

Recommendation of the Condition: We recommend that more care be taken to ensure that monies are deposited and documented in accordance with Redbook.

Management Response: Management will discuss importance of timely deposits and ensure all staff handling activity accounts are Redbook trained. The new director of finance is transitioning Family Resource and Youth Service from external accounts to school activity accounts at their individual schools.

2025-05 Deposit Receipt Forms – Youth Service Center

Statement of Condition: During our review of cash deposits, we selected two months for testing. We noted the followings:

- Middle School Youth Service Center - Two Multiple Receipt Form F-SA-6 that did not have a signature from the person remitting the money.
- High School Youth Service Center - Two Multiple Receipt Form F-SA-6 that did not have a signature from the person remitting the money.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds ("Redbook"), "Teachers, sponsors, and coaches shall use the Multiple Receipt Form (Form F-SA-6) when collecting money" and the Form is to be properly signed.

Cause of Condition: Failure to properly follow Redbook criteria.

Effect of Condition: Failure to properly sign or complete the form when money is received decreases controls over deposits.

Recommendation of the Condition: We recommend that more care be taken to ensure that all deposits include all required forms.

Management Response: The new Director of Finance will ensure all staff who handle activity accounts are Redbook trained and know the proper procedures.

2025-06 Purchasing – Activity Funds

Statement of Condition: During our review of cash disbursements at the Activity Fund level we noted the following:

- Ponderosa Elementary – We noted one instance in which the Purchase Order was not completed.
- Summit Elementary – While testing credit cards, we noted one instance where the receipts for the purchases could not be found.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds ("Redbook"):

- "Use requisitions if required by the district, but always use a Purchase Order (Form F-SA-7) to initiate a purchase, including for independent contractors and reimbursement to district employees. The Purchase Order shall be prepared and approved by the sponsor and principal before the payment is obligated."
- "The card, approved Purchase Order and itemized store receipts shall be submitted no later than the close of the next business day."

Cause of Condition: Oversight / human error.

Effect of Condition: Failure to properly follow Redbook criteria related to authorizing and supporting purchases.

Recommendation of the Condition: We recommend that individuals involved receive additional Redbook training.

Management Response: The new Director of Finance will ensure all staff who handle activity accounts are Redbook trained and know the proper procedures.

2025-07 Transfers – Activity Funds

Statement of Condition: During our review of transfers at the Activity Fund level we noted the following:

- Cannonsburg Elementary – We noted one instance in which the transfer form had not been properly utilized.
- Catlettsburg Elementary – We noted one instance in which the transfer form had not been properly utilized.
- Ponderosa Elementary – We noted one instance in which the transfer form had not been properly utilized.
- Middle School – We noted one instance in which the transfer form did not contain the proper signature from the Sponsor.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds ("Redbook") regarding transfers "Amounts may be transferred between activity accounts only by proper completion of a Transfer Form (Form F-SA-10)" and "The Sponsor of the remitting (paying) activity account and the

principal shall sign the Transfer Form."

Cause of Condition: Oversight / human error.

Effect of Condition: Failure to properly follow Redbook criteria related to transfers.

Recommendation of the Condition: We recommend that individuals involved receive additional Redbook training.

Management Response: The new Director of Finance will ensure all staff who handle activity accounts are Redbook trained and know the proper procedures. Management will make sure staff have access to the correct forms to be used.

2025-08 Outstanding Checks – Middle School

Statement of Condition: During our testing we noted that the bank reconciliation listing of outstanding checks for the Middle School contained four checks that were over a year old.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds ("Redbook"), "Outstanding checks shall not be carried longer than 12 months."

Cause of Condition: Oversight.

Effect of Condition: Failure to follow Redbook guidelines.

Recommendation of the Condition: We recommend that more care be taken to ensure that Redbook criteria is followed in regard to the treatment of outstanding checks.

Management Response: The new Director of Finance will ensure all staff who handle activity accounts are Redbook trained and know the proper procedures.

2025-09 Negative Account Balance – Middle School

Statement of Condition: During our testing we noted the account balance for the Middle School Sunshine fund had a negative balance at the end of the year after accounting for the accounts payable.

Criteria for Condition: Per the Accounting Procedures for Kentucky School Activity Funds ("Redbook"), "Individual school activity accounts and the school activity fund bank account as a whole shall not end the fiscal year with a negative (deficit) balance."

Cause of Condition: Oversight.

Effect of Condition: Failure to follow Redbook guidelines.

Recommendation of the Condition: We recommend that more care be taken to ensure that Redbook criteria are followed in regard to the account for activity accounts and ensure that accounts payable items are properly accounted for.

Management Response: The new Director of Finance will ensure all staff who handle activity accounts are Redbook trained and know the proper procedures.

Follow-up on Prior Year Recommendations

The prior year finding 2024-01, 2024-02, 2024-06, 2024-07, 2024-08 and 2024-09 were repeated this year with finding 2025-01, 2025-02, 2025-03, 2025-04 and 2025-05. Mr. William L. Boblett, Jr., Superintendent, and Mrs. Tiffany Brooks, Director of Finance, are the people responsible for initiation of the corrective action plan for the above conditions which will be implemented immediately. The corrective action plan is the management response for each condition.