

**CRITTENDEN COUNTY SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2025**

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**CRITTENDEN COUNTY SCHOOL DISTRICT  
JUNE 30, 2025**

**BOARD OF EDUCATION**

Christopher Cook, Chair  
Ryan McDaniel, Vice Chair  
William Asbridge  
Tim Grau  
Eric LaRue

**ADMINISTRATIVE STAFF**

Tonya Driver, Superintendent  
Diane Winters, Finance Officer

ANNA B. HERR, CPA, CFE

WALTER G. CUMMINGS, CPA  
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## INDEPENDENT AUDITORS' REPORT

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Crittenden County School District  
Marion, Kentucky

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension and postemployment benefits schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to

be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, accompanying combining and individual nonmajor fund financial statements, other information 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, other information 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 December 16, 2025, 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 Crittenden County School District's internal control over financial reporting and compliance.

DGA, PSC

**DGA, PSC**

Certified Public Accountants  
Hopkinsville, Kentucky

December 16, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2025**

As management of the Crittenden 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. The District encourages readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

- The ending cash balance for the District was \$10.5M, as compared with the beginning cash balance of \$11.6M. The ending cash balance consisted of amounts in the General Fund of \$3M, Construction Fund of \$6M, Nonmajor Governmental Funds of \$355K and Food Service Fund of \$969K.
- Total government-wide net position increased \$4M. Total noncurrent obligations had a net increase of \$2M, while the unrestricted net position increased \$5.4M and restricted net position decreased \$3.8M.
- The General Fund had \$14.1M in revenues, which primarily consisted of the state program (SEEK) funds, property, utilities and motor vehicle taxes and on-behalf payments for fringe benefits from the Commonwealth of Kentucky. General Fund revenues increased in comparison to prior year revenues of \$13.1M. Excluding interfund transfers, there were \$16M in General Fund expenditures. This compares to \$13.3M in General Fund expenditures for the prior year.
- The financial statements reflect a total of \$4.1M of revenues and aid from the state for payments made by the state on-behalf of district employees for retirement contributions, health insurance, technology and debt service. A like amount of expenses is also recorded in the financial statements.

**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.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2025**

**Government-wide financial statements** – The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets plus deferred outflows of resources and the District's liabilities plus deferred inflows of resources – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, the reader needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are reported as governmental activities and business-type activities.

- Governmental activities – All the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of the activities.
- Business-type activities – These include operations that are financed and operated similarly to private businesses, such as the School Food Service. Charges for services and federal reimbursements fund these activities.

**Fund Financial Statements** – The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2025**

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, the District provides additional information with the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – The District's proprietary fund is Food Service. The proprietary fund statements are the same as the business-type activities in the government-wide statements, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is a fiduciary for assets that belong to others and is responsible for ensuring that assets reported in the fiduciary funds are used only for their intended purposes. These funds are excluded from the government-wide financial statements because the assets cannot be used to finance the operations of the District.

**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.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, as well as combining and individual fund statements and schedules as listed in the table of contents.

## **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 plus deferred outflows exceeded liabilities plus deferred inflows by \$6.6M as of June 30, 2025.

The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions to District employees, not the District. A significant portion of the District's net position, \$10.1M, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; 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. An additional portion of the District's net position, \$4.6M, represents resources subject to external restrictions on how they may be used.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2025**

Following is a summary of the District's government-wide net position as of June 30, 2025 and 2024:

		<b>Net Position</b>					
		<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>District Total</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>							
Current assets							
and other assets	\$ 9,937,162	\$ 12,800,113	\$ 1,093,794	\$ 1,046,075	\$ 11,030,956	\$ 13,846,188	
Capital assets	23,226,226	14,057,007	250,709	176,651	23,476,935	14,233,658	
Total assets	33,163,388	26,857,120	1,344,503	1,222,726	34,507,891	28,079,846	
<b>Deferred outflows of resources</b>							
	2,264,462	3,101,126	159,727	225,772	2,424,189	3,326,898	
<b>LIABILITIES</b>							
Current liabilities	3,214,832	3,032,579	45,162	43,337	3,259,994	3,075,916	
Long-term debt	22,987,080	20,965,328	548,479	565,441	23,535,559	21,530,769	
Total liabilities	26,201,912	23,997,907	593,641	608,778	26,795,553	24,606,685	
<b>Deferred inflows of resources</b>							
	3,287,515	3,964,219	266,598	362,074	3,554,113	4,326,293	
<b>NET POSITION</b>							
Net investment in capital assets	9,847,150	7,375,807	222,803	176,651	10,069,953	7,552,458	
Restricted	4,618,361	8,428,092	-	-	4,618,361	8,428,092	
Unrestricted	(8,527,088)	(13,807,779)	421,188	300,995	(8,105,900)	(13,506,784)	
Total net position	\$ 5,938,423	\$ 1,996,120	\$ 643,991	\$ 477,646	\$ 6,582,414	\$ 2,473,766	

The net pension liability (NPL) and the net other postemployment benefits (OPEB) liability are the largest liabilities reported by the District as of June 30, 2025. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB.

GASB 68 (pension) and GASB 75 (OPEB) require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2025**

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for-benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. Changes in benefits, contribution rates and return on investments affect the balance of these liabilities but are outside the control of the local government.

In the event that contributions, investment returns and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows of resources.

The Kentucky School Facilities Construction Commission (SFCC) makes direct payments of principal and interest on District bonds issued for construction of facilities. The bonds payable are included in the long-term obligations of the District, and the payments are recorded as revenue from the State. The result is an increase in net position from the direct payment of principal and interest by the SFCC of \$351K. Another increase is the expenditure of current revenues on capital assets, an expenditure that does not reduce net position on the government-wide statements. The decrease in business-type activities net position is due mainly to current year changes in pension liability charges.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2025**

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

**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>District Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>						
Program revenues						
Operating grants and contributions	\$ 6,802,569	\$ 8,186,919	\$ 1,088,983	\$ 1,152,324	\$ 7,891,552	\$ 9,339,243
Capital grants and contributions	351,155	296,708	-	-	351,155	296,708
Charges for services	-	-	85,391	93,130	85,391	93,130
General revenues						
Property taxes	2,543,253	2,444,073	-	-	2,543,253	2,444,073
Other taxes	1,010,983	980,623	-	-	1,010,983	980,623
Investment earnings	479,185	373,923	35,908	31,219	515,093	405,142
State aid	7,396,989	6,647,691	92,591	90,619	7,489,580	6,738,310
Other	504,665	448,158	-	-	504,665	448,158
Gain(loss) on sale of fixed assets	<u>2,615,173</u>	<u>272,466</u>	<u>-</u>	<u>-</u>	<u>2,615,173</u>	<u>272,466</u>
Total revenues	<u>21,703,972</u>	<u>19,650,561</u>	<u>1,302,873</u>	<u>1,367,292</u>	<u>23,006,845</u>	<u>21,017,853</u>
<b>EXPENSES</b>						
Instruction	7,028,703	10,086,684	-	-	7,028,703	10,086,684
Support services						
Student	1,267,875	1,097,293	-	-	1,267,875	1,097,293
Instructional staff	1,221,377	1,102,791	-	-	1,221,377	1,102,791
District administration	768,807	666,750	-	-	768,807	666,750
School administration	957,503	1,147,759	-	-	957,503	1,147,759
Business	380,944	383,573	-	-	380,944	383,573
Plant operations and maintenance	4,066,928	1,436,693	-	-	4,066,928	1,436,693
Student transportation	1,220,336	776,547	-	-	1,220,336	776,547
Community service activities	110,077	137,769	-	-	110,077	137,769
Building acquisition and construction	-	322,174	-	-	-	322,174
Interest on long-term debt	718,713	498,883	-	-	718,713	498,883
Other instructional	17,858	21,394	-	-	17,858	21,394
Food service	<u>2,548</u>	<u>2,547</u>	<u>1,136,528</u>	<u>1,080,678</u>	<u>1,139,076</u>	<u>1,083,225</u>
Total expenses	<u>17,761,669</u>	<u>17,680,857</u>	<u>1,136,528</u>	<u>1,080,678</u>	<u>18,898,197</u>	<u>18,761,535</u>
Change in net position before transfers	3,942,303	1,969,704	166,345	286,614	4,108,648	2,256,318
Transfers in(out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position after transfers	<u>\$ 3,942,303</u>	<u>\$ 1,969,704</u>	<u>\$ 166,345</u>	<u>\$ 286,614</u>	<u>\$ 4,108,648</u>	<u>\$ 2,256,318</u>

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$7.4M, a decrease of (\$3.0M) in comparison with the prior year. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (nonmajor) funds as reported in the basic financial statements for the fiscal years ended June 30, 2025 and 2024.

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

The SEEK Capital Outlay Fund's revenues are derived from state SEEK allowances based upon student enrollment. The FSPK Building Fund's revenues are produced by a five-cent property tax equivalent. The use of both funds' resources is generally restricted to facilities acquisition or improvement and payment of the related debt on facilities. The Construction Fund is used to account for facility construction and improvement projects funded by other funds or borrowing.

The Debt Service Fund is used to account for all activities related to long-term bond obligations.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2025**

Following is a summary of fund balances as of June 30, 2025 and 2024:

<b>Governmental Funds</b>	<b>2025</b>	<b>2024</b>	<b>Increase (Decrease)</b>
General Fund	\$ 2,591,231	\$ 1,679,306	\$ 911,925
Special Revenue Fund	-	-	-
FSPK Fund	22,265	22,265	-
Construction Fund	4,511,096	8,320,827	(3,809,731)
District Activity Fund	16,643	18,681	(2,038)
Student Activity	316,503	344,765	(28,262)
SEEK Capital Outlay Fund	-	-	-
 Total governmental funds	<u>\$ 7,457,738</u>	<u>\$10,385,844</u>	<u>\$ (2,928,106)</u>

**General Fund** – The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2.3M, while total fund balance was \$2.5M. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 14.65% of total General Fund expenditures, while total fund balance represents 15.63% of that same amount.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2025**

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

In accordance with directives from the Kentucky Department of Education (KDE) and Kentucky law, the budgets of the District funds are prepared to account for most transactions on a cash receipt/cash disbursement/encumbrance basis. The KDE requires a budget in which any budgeted remaining fund balance is shown as a contingency expense and any amounts being accumulated for other purposes ultimately shown as unspent or over-budgeted expenditures. By law, the budget must have a minimum 2.00% contingency. The District adopted a General Fund budget with a contingency of 4.58%. Over the course of the year, the District revises the annual operating budget as circumstances dictate or as required by KDE.

The General Fund budget includes \$3.7M of state payments on behalf of District employees for retirement and health benefits, technology and debt service. Local revenues are budgeted conservatively resulting in a favorable variance of local revenues for the year.

- The District's total revenues for General Fund activities for the fiscal year ended June 30, 2025, excluding interfund transfers and beginning balances, were \$14.1M compared to the total budgeted revenues of \$13.5M.
- The District's total expenditures for General Fund activities for the fiscal year ended June 30, 2025, excluding interfund transfers, were \$16M compared to the total budgeted expenditures of \$17.7M.
- The fund balance at the end of the 2025 fiscal year for all Governmental Funds was \$7.4M compared to \$10.4M in the prior year.

Special Revenue Fund (Fund 2) is made up of local, state and federal grants. These grants include Title I, No Child Left Behind funding, Preschool, Special Education funding and others. These funds have restricted use, according to the guidelines for each. Expenditures include salaries and benefits, supplies and transportation.

SEEK Capital Outlay Fund (Fund 310) and FSPK Building Fund (Fund 320) are restricted funds for capital projects. The State contributes to Fund 310.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** – At June 30, 2025, the District had \$23.4M invested in capital assets net of depreciation: historical costs totaled \$41.7M with accumulated depreciation totaling \$18.3M. These assets include school, athletic and support facilities, as well as technology, food service and other equipment. Expenditures for acquisitions and improvements during the year totaled \$10M. Depreciation charged to expense during the year totaled \$767K, the majority of which was charged to governmental functions. More detailed information relating to capital assets may be found in Note 3 to the financial statements.

**CRITTENDEN COUNTY SCHOOL DISTRICT – MARION, KY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2025**

Following is a summary of capital assets, net of depreciation, as of June 30, 2025 and 2024:

**Net Capital Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>District Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Land	\$ 302,738	\$ 302,738	\$ -	\$ -	\$ 302,738	\$ 302,738
Land improvements	41,441	42,586	-	-	41,441	42,586
Construction in progress	10,472,537	3,020,384	-	-	10,472,537	3,020,384
Buildings and improvements	10,980,739	9,373,232	714	889	10,981,453	9,374,121
Technology equipment	2,337	4,306	1	1	2,338	4,307
Furniture, fixtures & equipment	1,231,927	1,227,407	-	-	1,231,927	1,227,407
Vehicles	194,507	86,354	64,912.00	-	259,419	86,354
Food service equipment	-	-	157,176	175,761	157,176	175,761
<b>Total</b>	<b>\$ 23,226,226</b>	<b>\$ 14,057,007</b>	<b>\$ 222,803</b>	<b>\$ 176,651</b>	<b>\$ 23,449,029</b>	<b>\$ 14,233,658</b>

**Long-term Debt** – The District's long-term general obligation bonds outstanding at June 30, 2025 were \$17.6M. Of that amount, the Kentucky SFCC has agreed to make a portion of the principal and interest payment under agreements previously described. Though the District is liable for the full amount of the bonds and the full amount is recorded on the financial statements, the SFCC has agreed to pay \$4.7M of the bonds leaving the District to pay \$12.9M.

The State must approve the issuance of any new bonds of the District.

More detailed information about the District's long-term liabilities may be found in Note 4 to the financial statements.

## **OUTLOOK FOR THE FUTURE**

The most crucial aspect in the financial future of the District is continued adequate funding from the state. The District's major source of revenue is state aid, primarily Kentucky SEEK funding.

The District's financial position is contingent upon legislation and factors related to property taxation in conjunction with decisions made by the District's Board management. The District remains committed to utilizing resources to provide the maximum benefit to students and provide them with a quality education. This involves closely monitoring legislation, effectively managing our grant resources, controlling expenditures and seeking new sources of revenues.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Superintendent or District finance personnel at (270) 965-3525 or by mail at 601 West Elm Street, Marion, KY 42064.

**GOVERNMENT – WIDE FINANCIAL STATEMENTS**

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,427,111	\$ 969,083	\$ 10,396,194
Accounts receivable			
Taxes	122,489	-	122,489
Accounts	2,223	103,918	106,141
Intergovernmental	385,339	-	385,339
Inventory	-	20,793	20,793
Net OPEB asset	-	27,906	27,906
Capital assets			
Non-depreciable	10,775,275	-	10,775,275
Depreciable (net)	<u>12,450,951</u>	<u>222,803</u>	<u>12,673,754</u>
Total assets	<u>33,163,388</u>	<u>1,344,503</u>	<u>34,507,891</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related	1,446,408	37,230	1,483,638
Pension related	<u>818,054</u>	<u>122,497</u>	<u>940,551</u>
Total deferred outflows of resources	<u>2,264,462</u>	<u>159,727</u>	<u>2,424,189</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	2,159,254	45,162	2,204,416
Unearned revenue	320,170	-	320,170
Interest payable	93,775	-	93,775
Long-term obligations			
Portion due or payable within one year			
Bonds payable	560,537	-	560,537
Financed purchases	66,096	-	66,096
Notes payable	15,000	-	15,000
Portion due or payable after one year			
Bonds payable	17,329,635	-	17,329,635
Financed purchases	142,283	-	142,283
Compensated absences	215,777	8,958	224,735
Net OPEB liability	1,621,810	-	1,621,810
Net pension liability	<u>3,677,575</u>	<u>539,521</u>	<u>4,217,096</u>
Total liabilities	<u>26,201,912</u>	<u>593,641</u>	<u>26,795,553</u>

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION, continued  
JUNE 30, 2025**

	Governmental Activities	Business-type Activities	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB related	2,594,390	166,771	2,761,161
Pension related	<u>693,125</u>	<u>99,827</u>	<u>792,952</u>
Total deferred inflows of resources	<u>3,287,515</u>	<u>266,598</u>	<u>3,554,113</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,847,150	222,803	10,069,953
Restricted	4,618,361	-	4,618,361
Unrestricted	<u>(8,527,088)</u>	<u>421,188</u>	<u>(8,105,900)</u>
Total net position	<u>\$ 5,938,423</u>	<u>\$ 643,991</u>	<u>\$ 6,582,414</u>

See accompanying notes to financial statements

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

<b>FUNCTIONS/PROGRAMS</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
	<b>Expenses</b>					
<b>Governmental Activities</b>						
Instruction	\$ 7,028,703	\$ -	\$ 4,375,668	\$ -	\$ (2,653,035)	\$ (2,653,035)
Support services						
Student	1,267,875	-	583,738	-	(684,137)	(684,137)
Instructional staff	1,221,377	-	849,902	-	(371,475)	(371,475)
District administration	768,807	-	268,357	-	(500,450)	(500,450)
School administration	957,503	-	241,559	-	(715,944)	(715,944)
Business support	380,944	-	66,772	-	(314,172)	(314,172)
Plant operations and maintenance	4,066,928	-	197,334	-	(3,869,594)	(3,869,594)
Student transportation	1,220,336	-	126,727	-	(1,093,609)	(1,093,609)
Other instructional	17,858	-	-	-	(17,858)	(17,858)
Food service	2,548	-	-	-	(2,548)	(2,548)
Community service activities	110,077	-	92,512	-	(17,565)	(17,565)
Interest on long-term debt	718,713	-	-	351,155	(367,558)	(367,558)
Total governmental activities	17,761,669	-	6,802,569	351,155	(10,607,945)	(10,607,945)
<b>Business-type Activities</b>						
Food service	1,136,528	85,395	1,088,983	-	-	37,850
Total business-type activities	1,136,528	85,395	1,088,983	-	-	37,850
Total activities	<u>\$ 18,898,197</u>	<u>\$ 85,395</u>	<u>\$ 7,891,552</u>	<u>\$ 351,155</u>	<u>(10,607,945)</u>	<u>37,850</u>
						<u>(10,570,095)</u>

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>		<b>Business-type Activities</b>
	<b>Activities</b>	<b>Total</b>	
<b>Net Revenues (Expenses)</b>	<b>(10,607,945)</b>	<b>37,850</b>	<b>(10,570,095)</b>
<b>General Revenues</b>			
Taxes			
Property	2,543,253	-	2,543,253
Motor vehicle	477,656	-	477,656
Utilities	532,576	-	532,576
Other	751	-	751
Investment earnings	479,185	35,908	515,093
State aid	7,396,989	92,591	7,489,580
Student activities	-	-	-
Transfers	-	-	-
Extraordinary item - insurance proceeds	2,615,173	-	2,615,173
Miscellaneous	504,665	(4)	504,661
Total general revenues	<u>14,550,248</u>	<u>128,495</u>	<u>14,678,743</u>
Change in net position	3,942,303	166,345	4,108,648
<b>Net position, beginning of year</b>	<u>1,996,120</u>	<u>477,646</u>	<u>2,473,766</u>
<b>Net position, end of year</b>	<u><b>\$ 5,938,423</b></u>	<u><b>\$ 643,991</b></u>	<u><b>\$ 6,582,414</b></u>

See accompanying notes to financial statements

**GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General	Special Revenue	Construction	Nonmajor Governmental	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,044,063	\$ -	\$ 6,027,637	\$ 355,411	\$ 9,427,111
Accounts receivable					
Taxes	122,489	-	-	-	122,489
Accounts	2,223	-	-	-	2,223
Interfund receivables	61,148	-	-	-	61,148
Intergovernmental	-	385,339	-	-	385,339
Total assets	<u>\$ 3,229,923</u>	<u>\$ 385,339</u>	<u>\$ 6,027,637</u>	<u>\$ 355,411</u>	<u>\$ 9,998,310</u>

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**BALANCE SHEET, continued**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

<b>LIABILITIES AND FUND BALANCES</b>	<b>General</b>	<b>Special Revenue</b>	<b>Construction</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
Liabilities					
Accounts payable	\$ 638,692	\$ 4,021	\$ 1,516,541	\$ -	\$ 2,159,254
Interfund payables	-	61,148	-	-	61,148
Unearned revenue	-	320,170	-	-	320,170
Total liabilities	<u>638,692</u>	<u>385,339</u>	<u>1,516,541</u>	<u>-</u>	<u>2,540,572</u>
Fund balances					
Restricted	85,000	-	4,511,096	22,265	4,618,361
Committed	72,808	-	-	-	72,808
Assigned	-	-	-	333,146	333,146
Unassigned	<u>2,433,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,433,423</u>
Total fund balances	<u>2,591,231</u>	<u>-</u>	<u>4,511,096</u>	<u>355,411</u>	<u>7,457,738</u>
Total liabilities and fund balances	<u>\$ 3,229,923</u>	<u>\$ 385,339</u>	<u>\$ 6,027,637</u>	<u>\$ 355,411</u>	<u>\$ 9,998,310</u>

See accompanying notes to financial statements

**CRITTENDEN COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET –  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

Total fund balance per fund financial statements	\$ 7,457,738
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$41,319,086 and the accumulated depreciation is \$18,092,860.

23,226,226

Pension and other postemployment benefits (OPEB) related items:

Deferred outflows - OPEB	1,446,408
Deferred outflows - pension	818,054
Deferred inflows - OPEB	(2,594,390)
Deferred inflows - pension	(693,125)
Net OPEB liability	(1,621,810)
Net pension liability	(3,677,575)

Long-term liabilities, including interest payable, are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:

Bond obligations	(17,890,172)
Financed purchases	(208,379)
Notes payable	(15,000)
Interest payable on bonds	(93,775)
Compensated absences	<u>(215,777)</u>

Net position for governmental activities	<u>\$ 5,938,423</u>
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See accompanying notes to financial statements

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

<b>REVENUES</b>	<b>General</b>	<b>Special Revenue</b>	<b>Construction</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
From local sources					
Taxes					
Property	\$ 2,245,704	\$ -	\$ -	\$ 297,549	\$ 2,543,253
Motor vehicle	477,656	-	-	-	477,656
Utilities	532,576	-	-	-	532,576
Other	751	-	-	-	751
Earnings on investments	128,251	-	338,397	12,537	479,185
Other local revenues	133,327	6,340	-	361,025	500,692
Intergovernmental - state	10,500,092	851,166	-	911,473	12,262,731
Intergovernmental - federal	44,637	2,243,345	-	-	2,287,982
 Total revenues	 14,062,994	 3,100,851	 338,397	 1,582,584	 19,084,826

Continued

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

<b>EXPENDITURES</b>	<b>General</b>	<b>Special Revenue</b>	<b>Construction</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
Current					
Instruction	7,359,428	1,918,465	-	358,589	9,636,482
Support services					
Student	982,458	275,427	-	64	1,257,949
Instructional staff	605,913	601,557	-	13,907	1,221,377
District administration	735,566	111,054	-	-	846,620
School administration	955,677	-	-	-	955,677
Business	337,124	43,820	-	-	380,944
Plant operations and maintenance	3,846,317	86,571	-	-	3,932,888
Student transportation	985,108	-	-	27,303	1,012,411
Other instructional	13,859	-	-	3,999	17,858
Food service	2,548	-	-	-	2,548
Community service activities	16,490	93,587	-	-	110,077
Architectural and engineering	-	-	5,580,639	-	5,580,639
Building improvements	-	-	1,871,516	-	1,871,516
Debt service	82,306	-	43,800	1,026,812	1,152,918
Total expenditures	<u>15,922,794</u>	<u>3,130,481</u>	<u>7,495,955</u>	<u>1,430,674</u>	<u>27,979,904</u>

Continued

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

	General	Special Revenue	Construction	Nonmajor Governmental	Total
Excess (deficit) of revenues over (under) expenditures	(1,859,800)	(29,630)	(7,157,558)	151,910	(8,895,078)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	3,325,000	-	3,325,000
Bond premium (discount)	-	-	22,827	-	22,827
Sale of equipment	3,972	-	-	-	3,972
Extraordinary items - insurance proceeds	2,615,173	-	-	-	2,615,173
Transfers in	182,210	29,630	-	675,657	887,497
Transfers (out)	(29,630)	-	-	(857,867)	(887,497)
Total other financing sources (uses)	2,771,725	29,630	3,347,827	(182,210)	5,966,972
Net changes in fund balances	911,925	-	(3,809,731)	(30,300)	(2,928,106)
<b>Fund balances, beginning of year</b>	<u>1,679,306</u>	<u>-</u>	<u>8,320,827</u>	<u>385,711</u>	<u>10,385,844</u>
<b>Fund balances, end of year</b>	<u>\$ 2,591,231</u>	<u>\$ -</u>	<u>\$ 4,511,096</u>	<u>\$ 355,411</u>	<u>\$ 7,457,738</u>

See accompanying notes to financial statements

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

Net change in fund balance - total governmental funds \$ (2,928,106)

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 these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenses exceeded depreciation in the current period:

Capital outlay	9,913,013
Depreciation expense	(743,794)

Bond proceeds are reported as other financing sources in governmental funds and contribute to the change in fund balance. However, in the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of bond principal is an expenditure in the government funds financial statements but is a reduction of the liability in the statement of net position.

Bond proceeds,net	(3,347,827)
Bond payments	450,000
Lease payments	75,330
Note payments	15,000

Some items reported in the statement of activities do not involve current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities are:

Deferred other postemployment benefits amounts	323,210
Deferred pension amounts	205,467
Amortization of bond premium	9,682
Compensated absences	(13,877)
Accrued interest on bonds	<u>(15,795)</u>

Change in net position of governmental activities \$ 3,942,303

See accompanying notes to financial statements

**PROPRIETARY FUNDS FINANCIAL STATEMENTS**

**CRITTENDEN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2025**

	<u>School Food Service</u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 969,083
Inventory	20,793
Accounts receivable	<u>103,918</u>
 Total current assets	 <u>1,093,794</u>
Noncurrent assets	
Capital assets, net of depreciation	222,803
Net OPEB asset	<u>27,906</u>
 Total noncurrent assets	 <u>250,709</u>
 Total assets	 <u>1,344,503</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB related	37,230
Pension related	<u>122,497</u>
 Total deferred outflows of resources	 <u>159,727</u>

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION, continued  
PROPRIETARY FUNDS  
JUNE 30, 2025**

	<u>School Food Service</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	<u>45,162</u>
Total current liabilities	<u>45,162</u>
Long-term liabilities	
Compensated absences	<u>8,958</u>
Net pension liability	<u>539,521</u>
Total long-term liabilities	<u>548,479</u>
Total liabilities	<u>593,641</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
OPEB related	<u>166,771</u>
Pension related	<u>99,827</u>
Total deferred inflows of resources	<u>266,598</u>
<b>NET POSITION</b>	
Net investment in capital assets	<u>222,803</u>
Unrestricted	<u>421,188</u>
Total net position	<u>\$ 643,991</u>

See accompanying notes to financial statements

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

	<u>School Food Service</u>
<b>OPERATING REVENUES</b>	
Lunchroom sales	\$ 85,395
Other revenue	<u>(4)</u>
Total operating revenues	<u>85,391</u>
<b>OPERATING EXPENSES</b>	
Salaries and wages	416,002
Materials and supplies	650,739
Depreciation	23,396
Contract services	45,941
Miscellaneous	<u>450</u>
Total operating expenses	<u>1,136,528</u>
Operating income (loss)	<u>(1,051,137)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Federal grants	1,043,339
Donated commodities	45,644
State grants	20,096
State on-behalf payments	72,495
Interest income	<u>35,908</u>
Total non-operating revenues (expenses)	<u>1,217,482</u>
Change in net position	<u>166,345</u>
<b>Net position, beginning of year</b>	<u>477,646</u>
<b>Net position, end of year</b>	<u>\$ 643,991</u>

See accompanying notes to financial statements

**CRITTENDEN COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	School Food Service
<b>Cash flows from operating activities</b>	
Cash received from	
User charges	\$ 82,203
Other activities	(4)
Cash paid to/for	
Employees	(417,806)
Supplies	(606,423)
Contract services	(45,941)
Miscellaneous	<u>(450)</u>
<b>Net cash provided (used) by operating activities</b>	<u>(988,421)</u>
<b>Cash flows from noncapital financing activities</b>	
Government grants	<u>1,063,435</u>
<b>Net cash provided (used) by noncapital financing activities</b>	<u>1,063,435</u>
<b>Cash flows from investing activities</b>	
Purchase of fixed assets	(69,549)
Receipt of interest income	<u>35,909</u>
<b>Net cash provided (used) by investing activities</b>	<u>(33,640)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	41,374
<b>Cash and cash equivalents, beginning of year</b>	<u>927,709</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 969,083</u>

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS, continued  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>School Food Service</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>	
Operating income (loss)	\$ (1,051,137)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>	
Depreciation	23,396
Donated commodities	45,644
State on-behalf payments	72,495
Changes in assets and liabilities	
Accounts receivable	(3,192)
Inventory	(3,153)
OPEB	(46,827)
Deferred pension	(33,665)
Sick leave payable	6,193
Accounts payable	1,825
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ (988,421)</u></b>
<b>Schedule of non-cash transactions</b>	
Donated commodities	\$ 45,644
On-behalf payments	72,495

See accompanying notes to financial statements

**FIDUCIARY FUNDS FINANCIAL STATEMENTS**

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

	Scholarship Private Purpose Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 87,249
<b>Total assets</b>	<b>\$ 87,249</b>
<b>LIABILITIES</b>	
Accounts payable	\$ -
<b>Total liabilities</b>	<b>-</b>
<b>NET POSITION</b>	
Held in trust for private purpose	\$ 87,249

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

	<u>Scholarship</u> <u>Private Purpose</u> <u>Trust Funds</u>
<b>ADDITIONS</b>	
Private donations	\$ 9,625
Earnings on investments	<u>4,954</u>
Total additions	<u>14,579</u>
<b>DEDUCTIONS</b>	
Investment expense	<u>5,297</u>
Total deductions	<u>5,297</u>
<b>Change in net position</b>	<b>9,282</b>
<b>Net position, beginning of year</b>	<u>77,967</u>
<b>Net position, end of year</b>	<u>\$ 87,249</u>

## **NOTES TO FINANCIAL STATEMENTS**

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Crittenden 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 education within the jurisdiction of the Crittenden County School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not a component unit of any other governmental “reporting entity”. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

The District’s financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

**Reporting Entity**

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, agencies, boards, commissions and authorities for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization’s governing body, and 1) the ability of the District to impose its will on that organization or 2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. In addition, the GASB Statement No. 39, as amended by GASB Statement No. 61, sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, there are no other organizations which should be included in these basic financial statements.

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

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Based on the foregoing criteria, the financial statements of the Crittenden County School District Finance Corporation are included in the accompanying financial statements. In a prior year, the Board authorized the establishment of the Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board members of the Crittenden County Board of Education also comprise the Corporation's Board of Directors.

**Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

*Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Restricted net position* – Results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – Consists of net position that does not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

The *General Fund* is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the fund consists primarily of local property taxes and state governmental aid. This is a major fund of the District.

The *Special Revenue Funds* account for proceeds of specific revenue sources (other than agency funds or major capital projects) that are legally restricted to disbursements for specified purposes.

The *Special Revenue (Grant) 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.

The *Special Revenue District Activity Fund* includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements. Project accounting is employed to maintain integrity for the various sources of funds.

The *Special Revenue Student Activity Fund* accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular to extracurricular activities of the District.

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

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

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

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

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of local property taxes.

**Proprietary Fund Types**

Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The District has the following enterprise fund:

The *School Food Service Fund* accounts for the food service operations of the District.

**Fiduciary Fund Types**

Fiduciary Funds account for assets held by the District in a trustee capacity (trust funds) or as an agent on behalf of others (agency funds).

- The *Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the governmental holds for others in an agency capacity. The District has no Agency funds.
- The *Private Purpose Trust Funds* are used to account for the Vince Clark Rocket Foundation Fund, formally the Crittenden County Rocket Foundation Fund. All resources of this fund may be used to award scholarships to offset college/career readiness costs for the District's high school students.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. The District also reports a fiduciary fund which focuses on net position and changes in net position. The fiduciary fund reports on the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

**Revenues – Exchange and Non-exchange Transactions**

Property taxes, other taxes, grants, entitlements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are 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 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 specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's proprietary funds are charges for food sales or tuition and fees. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure restricted fund balance and then to less restrictive classifications – committed, assigned and then unassigned fund balances.

**The Significant Accounting Policies Followed by the District Include the Following:**

**Cash and Cash Equivalents**

The Board considers demand deposits, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents. Cash is restricted in the special revenue funds per grant and other agreements, in the capital projects funds per state requirements, in the debt service funds per debt agreements, and in the District Activity Fund and School Activity Fund per fund requirements.

State statutes authorize the District to invest in obligations of the U.S. Treasury, U.S. Agencies, certain federal instruments, commercial banks' certificates of deposit, savings and loan deposits, repurchase agreements, and the Commonwealth of Kentucky Investment Pool.

**Property Taxes Receivable**

Property taxes in the governmental funds are accounted for using the modified accrual basis of accounting.

Property taxes collected are recorded as revenues in the fund for which they were levied. Property taxes are levied on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes become delinquent after December 31.

The property tax rates for the year ended June 30, 2025, to finance the General Fund operations were \$.514 per \$100 valuation for real property, \$.519 per \$100 valuation for business tangible personal property and \$.541 per \$100 valuation for motor vehicles.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

The District levies a utility gross receipts license tax in the amount of 3.00% of the gross receipts derived from furnishing, within the District, telephonic and telegraphic communications services, cablevision services, electric power, water and natural, artificial and mixed gas.

**Inventories**

Inventories are valued at cost, which approximates market. The Food Service Fund uses the specific identification method, and the General Fund uses the first-in, first-out method. The District's inventories include various items consisting of school supplies, paper, books, maintenance items, transportation items, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method.

**Prepaid Expenditures**

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

**Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District does not possess any infrastructure. The District maintains a capitalization threshold of \$5,000 with the exception of real property for which there is no threshold. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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

Unearned Revenue

Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of school registration fees and meal revenues collected for the programs and services in the next school year.

Subscription-Based Information Technology Arrangements

The District reviewed its information-technology service arrangements under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Management concluded that the District does not have any subscription-based IT arrangements meeting the criteria for recognition as a subscription asset and corresponding liability. Accordingly, no SBITA assets or liabilities are reported as of June 30, 2025.

Debt Premium and Discounts

Unamortized premiums and discounts associated with bond issues are amortized over the lives of the related bonds using the straight-line method and are an addition (premium) or deduction (discount) to the debt balances in the government-wide statements.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Compensated Absences**

The District allows employees to accumulate and carry over sick days from year to year. The maximum number of days which may be earned per year vary from seven to ten days depending upon employment terms. A maximum of two personal days may be added to the sick days carryover each year. The accumulated amount of days that may be carried over from year to year is unlimited. Upon retirement from the school system, employees will receive thirty percent (30%) of the value of accumulated sick leave. Separation of employment for any reason other than retirement results in the employee forfeiting all accumulated sick and personal days. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. It is deemed probable that benefits will be paid to certified employees with twenty or more years of experience and classified employees with ten or more years of experience.

In accordance with GASB Statement No. 101, the liability includes only those benefits that are both attributable to services already rendered and more-likely-than-not to be paid.

**Long-term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position.

**Leases**

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

**Pensions and Other Postemployment Benefits (OPEB)**

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

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate financial statement element, *deferred outflows of resources*, which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category: the deferred outflows of resources related to the net pension liability described in Note 9 and the net OPEB liability described in Note 10.

In addition to liabilities, the statement of net position will sometimes report a separate financial statement element, *deferred inflows of resources*, which represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category: the deferred inflows of resources related to the net pension liability as described in Note 9 and the net OPEB liability described in Note 10.

**Fund Balances**

In the fund financial statements, governmental fund balances are classified as follows:

**Non-spendable** – Amounts which cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

**Committed** – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

**Assigned** – Amounts the Board of Education intends to use for specific purposes. The authority to assign fund balances has been designated by the District's Board of Education to the Finance Officer.

**Unassigned** – All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned funds and then unassigned.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Net Position**

In proprietary funds, fiduciary funds and government-wide financial statements, net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets 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 its use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**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 non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of certain financial statement balances. Actual results could differ from those estimates.

**Subsequent Events**

Subsequent events have been evaluated through December 16, 2025, which is the date the financial statements were available to be issued.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities. The District's cash deposits are covered by the Federal Depository Insurance Corporation up to \$250,000 per financial institution, with the remainder covered by collateral agreements and collateral held by the pledging banks' trust departments in the District's name. At June 30, 2025, the District's bank balance of \$11,370,551 was fully collateralized.

At June 30, 2025, the carrying amount of the District's cash and cash equivalents was \$10,483,443.

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

Reconciliation to Government-wide Statement of Net Position:

Unrestricted cash	\$ 10,396,194
Private purpose trust funds cash (not included in government-wide statement)	<u>87,249</u>
	<u><u>\$ 10,483,443</u></u>

These amounts are reported in the financial statements as follows:

Governmental activities	\$ 9,427,111
Business-type activities	969,083
Private purpose trust funds	<u>87,249</u>
	<u><u>\$ 10,483,443</u></u>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 – CAPITAL ASSETS**

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

Governmental Activities	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Capital assets not depreciated				
Land	\$ 302,738	\$ -	\$ -	\$ 302,738
Construction in progress	3,020,384	7,452,153	-	10,472,537
Total non-depreciable historical cost	3,323,122	7,452,153	-	10,775,275
Capital assets depreciated				
Land improvements	51,249	-	-	51,249
Buildings and improvements	21,591,533	2,109,795	-	23,701,328
Technology equipment	1,838,156	-	-	1,838,156
General equipment	839,982	147,865	18,390	969,457
Vehicles	3,780,421	203,200	-	3,983,621
Total depreciable historical cost	28,101,341	2,460,860	18,390	30,543,811
Less: accumulated depreciation				
Land improvements	8,663	1,145	-	9,808
Buildings and improvements	12,218,301	502,288	-	12,720,589
Technology equipment	1,833,850	1,969	-	1,835,819
General equipment	753,628	39,712	18,390	774,950
Vehicles	2,553,014	198,680	-	2,751,694
Total accumulated depreciation	17,367,456	743,794	18,390	18,092,860
Total depreciable historical cost - net	<u>10,733,885</u>	<u>1,717,066</u>	<u>-</u>	<u>12,450,951</u>
Governmental activities capital assets - net	<u>\$ 14,057,007</u>	<u>\$ 9,169,219</u>	<u>\$ -</u>	<u>\$ 23,226,226</u>

Construction in progress of \$10,472,537 consisted of the CCMS renovation of \$8,601,023 and the guaranteed energy savings contract of \$1,871,514,

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 – CAPITAL ASSETS, continued**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
Instruction	\$ 377,560
Support services	
Student	9,926
District administration	12,517
School administration	1,826
Plant operation and maintenance	134,040
Student transportation	<u>207,925</u>
 Total depreciation expense	 <u>\$ 743,794</u>

Business-type Activities	Balance			Balance June 30, 2025
	July 1, 2024	Additions	Deductions	
Capital assets depreciated				
Buildings and improvements	\$ 4,373	\$ -	\$ -	\$ 4,373
Technology equipment	9,523	-	-	9,523
Vehicles	3,635	69,549	-	73,184
Food service equipment	<u>314,203</u>	<u>-</u>	<u>-</u>	<u>314,203</u>
 Total depreciable historical cost	 <u>331,734</u>	<u>69,549</u>	<u>-</u>	 <u>401,283</u>
 Less: accumulated depreciation				
Building and improvements	3,484	175	-	3,659
Technology equipment	9,522	-	-	9,522
Vehicles	3,635	4,637	-	8,272
Food service equipment	<u>138,442</u>	<u>18,585</u>	<u>-</u>	<u>157,027</u>
 Total accumulated depreciation	 <u>155,083</u>	<u>23,397</u>	<u>-</u>	 <u>178,480</u>
 Business-type activities capital assets - net	 <u>\$ 176,651</u>	<u>\$ 46,152</u>	<u>\$ -</u>	 <u>\$ 222,803</u>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 – LONG-TERM OBLIGATIONS**

The District issues bonds to provide funds for the acquisition and construction of major capital facilities and improvements. The original amount of the issue, the dates and interest rates are summarized below:

Issue	Proceeds	Interest Rates	Maturity Dates
2013	\$ 2,165,000	1.25% - 3.60%	2033
2020	1,210,000	.80% - 1.60%	2031
2022	1,385,000	1.00% - 3.00%	2042
2023	11,015,000	4.00% - 5.00%	2053
2025	3,325,000	4.00%	2045

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

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

April 1, 2025, the District issued School Building Revenue Bonds, Series of 2025 in the amount of \$3,325,000 to finance renovations and additions to Crittenden County Middle School.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 – LONG-TERM OBLIGATIONS, continued**

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

Year	Crittenden County School District		School Facilities Construction Commission		Total
	Principal	Interest	Principal	Interest	
2026	\$229,181	\$ 541,875	\$ 320,819	\$ 157,054	\$1,248,929
2027	239,641	531,919	325,359	147,594	1,244,513
2028	252,604	522,758	332,396	139,030	1,246,788
2029	265,528	513,028	344,472	130,139	1,253,167
2030	279,090	502,242	330,910	120,996	1,233,238
2031-2035	1,642,156	2,315,637	1,072,844	481,873	5,512,510
2036-2040	2,183,467	1,871,449	1,031,533	293,861	5,380,310
2041-2044	2,797,441	1,364,697	947,559	92,013	5,201,710
2045-2050	2,565,000	806,666	-	-	3,371,666
2051-2054	2,480,000	216,542	-	-	2,696,542
	<u>\$ 12,934,108</u>	<u>\$ 9,186,813</u>	<u>\$ 4,705,892</u>	<u>\$ 1,562,560</u>	<u>\$ 28,389,373</u>

**Lease Obligations**

The District has adopted GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the concept that leases are financings of the right to use an underlying asset. This standard requires recognition of lease assets and liabilities for leases with terms greater than 12 months.

The District has recognized a lease asset and a corresponding lease liability for each lease where it is the lessee. The lease assets represent the right to use an asset for a period of time, while the lease liabilities represent the obligation to make lease payments.

The District leases school buses pursuant to these types of leases and, as such, the cost is included with property and equipment. The related lease obligation reflects the present value of future lease payments less an interest amount implicit in the lease.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 – LONG-TERM OBLIGATIONS, continued**

Kentucky Interlocal School Transportation Association (KISTA)

The Board has entered into the following lease agreements with the Kentucky Interlocal School Transportation Association (KISTA) for financing the acquisition of school buses. The KISTA lease payments are paid by the General Fund and reported as debt service. The depreciation of these leases is allocated to the student transportation function.

Series	Description	Lease Amount	Outstanding Balance
2016	2 buses	205,147	\$ 18,923
2017	1 bus	100,588	18,766
2018	1 bus	97,148	28,344
2019	1 bus	103,626	39,926
2021	1 bus	105,029	61,077
2022	1 bus	60,671	<u>41,343</u>
			<u>\$ 208,379</u>

The following is an analysis of leased property by class:

Buses	Balance	Additions	Reductions	Balance	Accumulated	Net Carrying
	July 1, 2024			June 30, 2025	Depreciation	Value
Buses	\$ 1,291,262	\$ -	\$ 485,285	\$ 805,977	\$ 569,454	\$ 236,523

Future minimum payments under the long-term lease obligations, together with the present value of the net minimum lease payments as of June 30, 2025 are as follows:

Year Ended	Total Lease Payments
2026	\$ 71,169
2027	49,779
2028	36,800
2029	27,517
2030	16,293
2031-2032	<u>20,275</u>
Total minimum lease payments	221,833
Lease amount representing interest	<u>(13,454)</u>
Present value of net minimum lease payments	\$ <u>208,379</u>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 – LONG-TERM OBLIGATIONS, continued**

Changes in long-term debt for the year ended June 30, 2025 are:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
<b>Governmental activities</b>					
Bonds payable					
General obligation debt	\$ 14,765,000	\$ 3,325,000	\$ 450,000	\$ 17,640,000	\$ 550,000
Premiums (discounts)	237,027	22,827	9,682	250,172	10,537
Total bonds payable	<u>15,002,027</u>	<u>3,347,827</u>	<u>459,682</u>	<u>17,890,172</u>	<u>560,537</u>
Other liabilities					
Financed purchases	283,709	-	75,330	208,379	66,096
Compensated absences	201,900	13,877	-	215,777	-
Note payable - EDC	30,000	-	15,000	15,000	15,000
Net OPEB liability	2,019,494	-	397,684	1,621,810	-
Net pension liability	3,968,528	-	290,953	3,677,575	-
Total other liabilities	<u>6,503,631</u>	<u>13,877</u>	<u>778,967</u>	<u>5,738,541</u>	<u>81,096</u>
Total long-term liabilities	<u>\$ 21,505,658</u>	<u>\$ 3,361,704</u>	<u>\$ 1,238,649</u>	<u>\$ 23,628,713</u>	<u>\$ 641,633</u>
<b>Business-type activities</b>					
Other liabilities					
Compensated absences	\$ 2,765	\$ 6,193	\$ -	\$ 8,958	\$ -
Net pension liability	587,193	-	47,672	539,521	-
Total other liabilities	<u>\$ 589,958</u>	<u>\$ 6,193</u>	<u>\$ 47,672</u>	<u>\$ 548,479</u>	<u>\$ -</u>

Business-type activities: The net OPEB liability was reclassified as an asset. As a result, it is not included in the beginning balance for fiscal year 2025.

Other Debt

On April 26, 2022, the Board approved a promissory note to the Crittenden County Economic Development Corporation in the amount of \$60,000 to purchase the maintenance facility from the Transportation Cabinet located adjacent to the Crittenden County Board of Education property. The note is non-interest bearing and repayment is due in four (4) annual payments of \$15,000 beginning July 20, 2022 through July 25, 2025.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 5 – COMPENSATED ABSENCES**

Upon retirement from the school system, employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be funded with current year's economic financial resources. These amounts are recorded in the account "accrued sick leave payable" in the General Fund. Management has estimated that the amount for governmental activities will be approximately \$215,777, with \$0 considered the short-term portion and \$215,777 considered the long-term portion. Management has estimated that the amount for business-type activities will be approximately \$8,958, with \$0 considered the short-term portion and \$8,958 considered the long-term portion.

**NOTE 6 – FUND BALANCE REPORTING**

The following is a summary of designations of Fund Balance at June 30, 2025:

	General	Special Revenue	Construction	Nonmajor Governmental	Total
<b>Restricted</b>					
Construction	\$ -	\$ -	\$ 4,511,096	\$ -	\$ 4,511,096
Sick leave	85,000	-	-	-	85,000
SFCC escrow	-	-	-	22,265	22,265
<b>Committed</b>					
Site base carryforward	72,808	-	-	-	72,808
<b>Assigned</b>					
Student activity	-	-	-	316,503	316,503
District activity	-	-	-	16,643	16,643
<b>Unassigned</b>	<u>2,433,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,433,423</u>
	<u><b>\$ 2,591,231</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 4,511,096</b></u>	<u><b>\$ 355,411</b></u>	<u><b>\$ 7,457,738</b></u>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 – TRANSFER OF FUNDS**

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
Building Fund	General Fund	Capital Funds	\$ 60,613
Building Fund	Debt Service	Debt Service	675,657
Capital Outlay	General Fund	Capital Funds	121,597
General Fund	Special Revenue	KETS Match	24,630
General Fund	Special Revenue	Community ED Grant Match	<u>5,000</u>
			<u>\$ 887,497</u>

**NOTE 8 – ON-BEHALF PAYMENTS**

The Kentucky State Department of Education has indicated the following amounts were contributed on behalf of the District for the year ended June 30, 2025:

Health insurance	\$ 2,056,710
Life insurance	2,382
Administrative fee	18,952
Health reimbursement account - HRS/dental/vision	<u>96,250</u>
	<u>2,174,294</u>
Federal reimbursements of health benefits	<u>(200,155)</u>
	<u>1,974,139</u>
KTRS pension and OPEB	1,763,951
Technology	42,463
Debt service	<u>351,155</u>
	<u><u>\$ 4,131,708</u></u>

The District is not legally responsible for these contributions. These payments are not required to be budgeted by the District. The total of these payments has been included in revenues and the applicable expenditure functions in these financial statements as follows:

Governmental activities	
General Fund	\$ 3,708,058
Debt Service Fund	351,155
Business-type activities	
Food Service Fund	<u>72,495</u>
	<u><u>\$ 4,131,708</u></u>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS**

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

**General Information about the County Employees Retirement System Non-Hazardous (CERS) Pension Plan**

*Plan description* – Full-time employees whose positions do not require a degree beyond a high school diploma are covered by CERS, a cost-sharing, multiple-employer defined benefit plan administered by the Board of Trustees of the Kentucky Public Pensions Authority (KPPA). The CERS financial statements and other supplementary information are contained in the publicly available annual financial report of the KPPA. That report may be obtained from <http://kyret.ky.gov/>.

*Benefits provided* – CERS provides retirement, death and disability benefits to Plan employees and beneficiaries. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years' service or 65 years old
	Reduced retirement	At least 5 years' service and 55 years old
	Required contributions	At least 25 years' service and any age 5.00%
Tier 2	Participation date	September 1, 2008 – December 31, 2013
	Unreduced retirement	At least 5 years' service and 65 years old or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years' service and 60 years old
	Required contributions	5.00% + 1.00% for insurance
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years' service and 65 years old or age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not available
	Required contributions	5.00% + 1.00% for insurance

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

*Contributions* – Per Kentucky Revised Statute 61.565, normal contribution and past service contribution rates shall be determined by the Board of Trustees of the Kentucky Public Pensions Authority on the basis of an annual valuation last preceding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. For the year ended June 30, 2025, plan members were required to contribute 5% of their annual creditable compensation. Plan members hired subsequent to September 1, 2008 were required to contribute 6% of their annual creditable compensation. The District is required to contribute at an actuarial determined rate. For the fiscal year ended June 30, 2025, participating employers contributed 19.71% of each employee's creditable compensation.

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

At June 30, 2025, the District reported a liability of \$4,217,096 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability was based on the employees and former employees relative to the total liability of the System as determined by the actuary. For the measurement period June 30, 2024, the District's proportion was 0.070515%.

Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense, they are labeled deferred inflows. If they will increase pension expense, they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

For the measurement period ended June 30, 2024, the District recognized pension expense of \$201,675. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 204,115	\$ -
Change of assumptions	- -	190,530
Net differences between projected and actual earnings on pension plan investments	289,620	560,756
Changes in proportion and difference between District contributions and proportionate share of contributions	- -	41,666
District contributions subsequent to the measurement date	<u>446,816</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 940,551</u></b>	<b><u>\$ 792,952</u></b>

For the year ended June 30, 2025, \$446,816 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Years Ending June 30	
2025	\$ (199,156)
2026	64,593
2027	(104,228)
2028	(60,425)
2029	- -
Thereafter	<u>-</u>
<b>Total</b>	<b><u>\$ (299,216)</u></b>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

*Actuarial assumptions* – For financial reporting, the actuarial valuation as of June 30, 2024 was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability and sensitivity information as of June 30, 2024 were based on an actuarial valuation date of June 30, 2023. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ending June 30, 2024, using generally accepted actuarial principles.

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2024 and included a change in the investment return assumption from 6.25% to 6.50%. These assumptions are documented in the report titled "2023 Actuarial Experience Study for the Period Ending June 30, 2023". The total pension liability as of June 30, 2024, is determined using these updated assumptions.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

Based on the June 30, 2022 actuarial valuation report, the actuarial methods and assumptions used to calculate the required contributions are below.

Determined by the	
Actuarial Valuation as of:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method:	Level percent of pay
Amortization Period:	30-year closed period at June 30, 2019 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate:	2.00%
Investment Return:	6.50%
Inflation:	2.30%
Salary Increases:	3.30% to 10.30%, varies by service
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.

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

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
<b>Equity</b>		
Public Equity	50.00%	4.50%
Private Equity	10.00%	9.10%
<b>Fixed Income</b>		
Core Bonds	10.00%	2.85%
Specialty Credit/High Yield	10.00%	3.82%
Cash	0.00%	1.70%
<b>Inflation Protected</b>		
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
<b>Expected Term Inflation Assumption</b>	<b>100%</b>	<b>4.69%</b>
<b>Long Term Inflation Assumption</b>		<b>2.50%</b>
<b>Expected Nominal Return for Portfolio</b>		<b>7.19%</b>

*Discount rate* – The single discount rate used to measure the total pension liability for the fiscal plan year ending June 30, 2024 was 6.50% for nonhazardous and hazardous employees. The projection of cash flows used to determine the single discount rate for each plan must include an assumption regarding actual employer contributions made each future year. Except where noted below, future contributions are projected assuming that each participating employer in each pension plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8 passed during the 2021 legislative session. The assumed future employee contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028. The discount rate determination does not use a municipal bond rate.

*Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate* – The following table presents the District's proportionate share of the net pension liability, calculated using the discount rates selected by the pension system, 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 or 1-percentage-point higher than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of net pension liability	5.50%	6.50%	7.50%

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of CERS.

*Payable to the pension plan* – Employer contributions related to June payrolls are remitted in July after fiscal year-end. Because these amounts were not legally due at June 30, they are not recorded as payables in either the fund or government-wide financial statements. Management considers the omission immaterial.

**General information about the Teachers' Retirement System of the State of Kentucky (TRS) Pension Plan**

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

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

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

Participants who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to 2.00% (service prior to July 1, 1983) and 2.50% (service after July 1, 1983) of their final average salaries for each year of credited service. New members (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2.00% of their final average salary for each year of service if, upon retirement, their total service was less than ten years. New members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.50% of their final average salary for each year of service, including the first ten years. In addition, members who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.50% to 3.00% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

For participants hired on or after January 1, 2022, conditions for retirement are attainment of age fifty-seven (57) and ten (10) years of service or age sixty-five (65) and five (5) years of service. The annual foundational benefit for non-university participants is equal to service times a multiplier times final average salary. The multiplier ranges from 1.70% to 2.40% based on age and years of service.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

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

The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the participant would have completed 30 years of service.

Final average salary is defined as the member's five (5) highest salaries for those with less than 27 years of service. Members at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. TRS also provides disability benefits for vested members at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing members and \$5,000 for retired or disabled members. For members who entered on or after January 1, 2022, the life insurance benefit payable upon the death of a member is \$5,000 for active contributing members and \$10,000 for retired or disabled members.

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 January 1, 2022, non-university members are required to contribute 12.855% of their salaries to the System. For members employed by local school districts, the Commonwealth of Kentucky, as a non-employer contributing entity, contributes 13.105% of salaries for those who joined before July 1, 2008 and 14.105% for those who joined on or after July 1, 2008, and before January 1, 2022. For members who began participating on or after January 1, 2022, non-university members contribute 14.75% of their salaries to the system. Employers of non-university members, including the Commonwealth of Kentucky, as a non-employer contributing entity, contribute 10.75% of salaries. For local school district and regional cooperative members whose salaries are federally funded, the employer contributes 16.105% of salaries. If a member leaves covered employment before accumulating five (5) years of credited service, accumulated member contributions to the retirement trust are refunded with interest upon the member's request.

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 TRS on behalf of the District.

Certified employees are covered by the Teachers' Retirement System of Kentucky under a special funding situation whereby the Commonwealth of Kentucky is legally responsible for employer contributions. Accordingly, the District's proportion of the collective net pension for TRS is 0.000%, and related on-behalf payments are disclosed in Note 8.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

District's proportionate share of the TRS net pension liability	\$ -
State's proportionate share of TRS net pension liability associated with the District	<u>24,881,804</u>
	<u><u>\$ 24,881,804</u></u>

The total pension liability was rolled forward from the actuarial valuation date of June 30, 2023 to the plan's fiscal year ended June 30, 2024, using generally accepted actuarial principles. 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 System as determined by the actuary.

For the measurement period ended June 30, 2024, the District recognized pension expense of (\$3,042,626) and revenue of \$3,042,626 for support provided by the State in the government-wide financial statements.

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

Inflation rate	2.50%
Investment rate of return	7.10%, net of pension plan investment expense, including inflation
Projected salary increases	3.00% - 7.50%
Municipal bond index rate	
Prior measurement date	3.66%
Measurement Date	3.94%
Year FNP is projected to be depleted	N/A
Single equivalent interest rate, net of pension plan investment expense, including inflation	
Prior measurement date	7.10%
Measurement Date	7.10%
Post-Retirement Benefit Increases	1.50% annually

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, setbacks 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 TRS 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.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

*Long-term rate of return* – The long-term expected rate of return on 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	35.40%	5.00%
Small Cap U.S. Equity	2.60%	5.50%
Developed International Equity	15.70%	5.50%
Emerging Markets Equity	5.30%	6.10%
Fixed Income	15.00%	1.90%
High Yield Bonds	2.00%	3.80%
Other Additional Categories	8.00%	3.60%
Real Estate	7.00%	3.20%
Private Equity	7.00%	8.00%
Cash	2.00%	1.60%
 Total	 <u>100.00%</u>	

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

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of TRS.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 – PENSION PLANS, continued**

**Defined Contribution Plans**

The District makes available various 401(k) and 403(b) defined contribution pension plans for all regular full-time and part-time employees. These plans are administered by independent third party administrators. Employees are allowed to contribute any amount to the plans up to the Internal Revenue Code maximum allowable amount. The District can but is not required to contribute to the plans. In addition, the District retains authority to amend or terminate these plans.

**Deferred Compensation**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, allows entities with little or no administrative involvement that do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities on these financial statements. The District does not contribute to this plan.

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the County Employees Retirement System Non-Hazardous (CERS) OPEB Plan**

*Plan description* – The Kentucky Public Pensions Authority (KPPA) Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from KERS and CERS. Although the assets of the systems are invested as a whole, each system's assets are used only for the payment of benefits to the members of that plan and the administrative costs incurred by those receiving an insurance benefit.

*Benefits provided* – The CERS Non-hazardous Insurance Fund is a cost-sharing multiple-employer defined benefit Other Post-Employment Benefits (OPEB) plan that covers substantially all regular full-time members employed in positions of each participating county, city and school board and any additional eligible local agencies electing to participate in the System. The plan provides for health insurance benefits to plan members. OPEB may be extended to beneficiaries of plan members under certain circumstances.

*Implicit subsidy* – KPPA pays fully insured premiums for the Kentucky Health Plan. The premiums are blended rates based on the combined experience of active and retired members. Because the average cost of providing healthcare benefits to retirees under age 65 is higher than the average cost of providing healthcare benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB 75 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

**Contributions** – The Commonwealth is required to contribute at an actuarially determined rate for KERS. Participating employers are required to contribute at an actuarially determined rate for CERS pensions. Per Kentucky Revised Statute Sections KERS 61.565(3) and CERS 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of the last annual valuation preceding July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. However, formal commitment to provide the contributions by the employer is made through the biennial budget for KERS. For the year ended June 30, 2025, required contribution was 0.00% of each employee's covered payroll. Contributions from the District to the CERS Insurance Fund for the year ended June 30, 2025 was \$0.

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

At June 30, 2025, the District reported a liability (asset) of (\$122,096) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year end, June 30, 2022, using generally accepted actuarial principles. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers, actuarially determined. For the measurement period ended June 30, 2024, the District's proportion was 0.070584%.

For the measurement period ended June 30, 2024, the District recognized OPEB expense of approximately (\$299,414).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,738	\$ 960,657
Changes of assumptions	110,634	86,152
Net difference between projected and actual earnings on OPEB plan investments	107,326	218,746
Changes in proportion and differences between District contributions and proportionate share of contributions	-	23,606
District contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 285,698</b>	<b>\$ 1,289,161</b>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending <u>June 30</u>	
2025	\$ (405,345)
2026	(312,621)
2027	(272,797)
2028	(12,700)
2029	-
Thereafter	_____
Total	<u><u>\$ (1,003,463)</u></u>

*Actuarial assumptions* – The total OPEB liability, net OPEB liability and sensitivity information in the June 30, 2024 actuarial valuation was based on an actuarial valuation date of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2024, using generally accepted actuarial principles. The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023. Additionally, the single discount rates used to calculate the total OPEB liability within each plan changed since the prior year. Additional information regarding the single discount rates is provided below. The total OPEB liability as of June 30, 2024, is determined using these updated assumptions.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Determined by the	
Actuarial Valuation as of:	June 30, 2022
Actuarial Cost Method	Entry age normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method	Level percent of pay
Amortization Period	30-year closed period at June 30, 2019 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Investment Rate of Return	6.25%
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service
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.
Healthcare Cost Trend Rates (Pre-65)	Initial trend starting at 6.20% at January 1, 2024 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The 2023 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Healthcare Cost Trend Rates (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 13 years. The 2023 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Phase-in Provisions	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

The actuarial assumption used in the June 30, 2024 valuation were based on the results of an actuarial experience study by Gabriel Roeder Smith (GRS) for a five year period ending June 30, 2022.

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

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
<b>Equity</b>		
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
<b>Fixed Income</b>		
Core Bonds	10.00%	2.85%
Specialty Credit/High Yield	10.00%	3.82%
Cash	0.00%	1.70%
<b>Inflation Protected</b>		
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
<b>Expected Term Inflation Assumption</b>	<b>100%</b>	<b>4.69%</b>
<b>Long Term Inflation Assumption</b>		<b>2.50%</b>
<b>Expected Nominal Return for Portfolio</b>		<b>7.19%</b>

*Discount rate* – Single discount rates used to measure the total OPEB liability for the year ended June 30, 2025 was 5.99% for CERS Non-hazardous plans. 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 3.86%, 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 plans' 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.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30 2028, for the CERS plans.

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	4.99%	5.99%	6.99%
District's proportionate share of net OPEB liability	\$ 165,088	\$ (122,096)	\$ (363,561)

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

	Current		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ (293,749)	\$ (122,096)	\$ 77,867

*OPEB plan fiduciary net position –* Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Public Pensions Authority's Comprehensive Annual Financial Report on the KPPA website at [www.kyret.ky.gov](http://www.kyret.ky.gov).

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

**General Information about the Teachers' Retirement System of Kentucky (TRS) OPEB Plan**

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

The State reports a liability, deferred outflows of resources, 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 postemployment 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, 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.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

At June 30, 2025, the District reported a liability of \$1,716,000 for its proportionate share of the net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the 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. For the measurement period ended June 30, 2024, the District's proportion was 0.077003%.

The amounts 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 net OPEB liability	\$ 1,716,000
State's proportionate share of net OPEB liability associated with the District	<u>1,529,000</u>
 Total	 <u>\$ 3,245,000</u>

For measurement period ended June 30, 2024, the District recognized OPEB expense of (\$53,000) and revenue of \$11,000 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 515,000
Changes of assumptions	437,000	-
Net difference between projected and actual earnings on OPEB plan investments	-	55,000
Changes in proportion and difference between District contributions and proportionate share of contributions	585,000	902,000
District contributions subsequent to the measurement date	<u>175,940</u>	<u>-</u>
 Total	 <u>\$ 1,197,940</u>	<u>\$ 1,472,000</u>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Of the total amount reported as deferred outflows of resources related to OPEB, \$175,940 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 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:

Years Ending June 30	\$
2026	(130,000)
2027	(17,000)
2028	(39,000)
2029	(125,000)
2030	(121,000)
Thereafter	<u>(18,000)</u>
Total	<u><u>\$ (450,000)</u></u>

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

Projected salary increases	3% - 7.50%, including inflation
Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Long-term investment rate of return	
Net of OPEB plan investment expense, including inflation	
Health Trust	7.10%
Life Trust	7.10%
Municipal bond index rate	3.94%
Year FNP is projected to be depleted	
Health Trust	N/A
Life Trust	N/A
Single Equivalent interest rate net of	
OPEB plan investment expense	
Health Trust	7.10%
Life Trust	7.10%
Health Trust Care Cost Trends	
Medical Trend	6.50% for FYE 2024 decreasing to an ultimate rate of 4.5% by FYE 2031
Medicare Part B Premiums	5.92% for FYE 2024 with an ultimate rate of 4.5% by FYE 2035

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

Mortality rates were based on the PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, setbacks and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2023 valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the TRS board on September 20, 2021.

The remaining actuarial assumptions 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 healthcare 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S. Equity	35.40%	5.00%
Small Cap U.S. Equity	2.60%	5.50%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	9.00%	1.90%
High Yield Bonds	8.00%	3.80%
Other Additional Categories	9.00%	3.70%
Real Estate	6.50%	3.20%
Private Equity	8.50%	8.00%
Cash	1.00%	1.60%
Total	<u>100.00%</u>	

*Discount rate* – The discount rate used to measure the total OPEB liability 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. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be depleted.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

	Current		
	1% Decrease 6.10%	Discount Rate 7.10%	1% Increase 8.10%
District's proportionate share of net OPEB liability	\$ 2,280,000	\$ 1,716,000	\$ 1,249,000

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

	Current Healthcare Cost Trend Rate		
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 1,159,000	\$ 1,716,000	\$ 2,408,000

*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* – 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 \$5,000 payable for members who retire based on service or disability if hired prior to January 1, 2022. TRS provides a life insurance benefit of \$10,000 for its members who retire based on service or disability if hired on or after January 1, 2022. TRS provides a life insurance benefit of \$2,000 payable for its active contributing members if hired prior to January 1, 2022. TRS provides a life insurance benefit of \$5,000 payable for its active contributing members if hired on or after January 1, 2022. 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.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

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

District's proportionate share of net OPEB liability	\$ -
State's proportionate share of net OPEB liability associated with the District	<u>35,000</u>
 Total	 <u>\$ 35,000</u>

For measurement period ended June 30, 2024, the District recognized OPEB expense of \$0 and revenue of \$0 for support provided by the State in the government-wide financial statements.

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

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 PUB2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with various set-forwards, setbacks and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2023 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ended June 30, 2022, 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.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued**

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity	40.00%	5.20%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	21.00%	1.90%
Other additional categories	5.00%	4.00%
Real Estate	7.00%	3.20%
Private Equity	5.00%	8.00%
Cash	2.00%	1.60%
<b>Total</b>	<b><u>100.00%</u></b>	

*Discount rate* – The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2023. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the LIF's fiduciary net position was not projected to be depleted.

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

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 11 – CONTINGENCIES**

The District receives funding from federal, state and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if, based on the grantor's review, the funds are considered not to have been used for the intended purpose, the grantor may request a refund of 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.

In addition, the District operates in a heavily regulated environment. The operations of the District are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U.S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

**NOTE 12 – INSURANCE AND RELATED ACTIVITIES**

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

**NOTE 13 – RISK MANAGEMENT AND LITIGATION**

The District is exposed to various risks of loss of assets associated with the risks related to torts; theft of, damage to and destruction of assets; fire, personal liability, vehicular accidents; errors and omissions; injuries to employees; fiduciary responsibility; and natural disaster. Each of these risk areas are covered through the purchase of commercial insurance.

The District purchases unemployment insurance through the Kentucky School Boards' Association; however, risk has not been transferred. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial statements.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 14 – COBRA**

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

The District has notified all terminated employees of available continuing insurance coverage as mandated by COBRA.

**NOTE 15 – INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2025, the General Fund reported an interfund receivable of \$61,148, with a corresponding interfund payable reported in the Special Revenue Fund. These interfund balances represent short-term advances made to meet the Special Revenue Fund's current cash flow requirements and are expected to be repaid within the following fiscal year.

**NOTE 16 – VINCE CLARK ROCKET FOUNDATION FUND**

The District has a nonprofit fund, Vince Clark Rocket Foundation Fund, (previously the Crittenden County Rocket Foundation Fund), with the Community Foundation of West Kentucky. The purpose of the fund is to provide scholarships and provide expanded college and career opportunities to current and future Rocket graduates. A scholarship committee is responsible for selecting scholarship recipients. As of June 30, 2025, the fund had a balance of \$87,249 and is reported as a fiduciary fund – Scholarship Private Purpose Fund.

In February 2022, Crittenden County Tomorrow, Inc., a 501(c)(3) organization, pledged \$150,000 to the Foundation Fund. Subsequently, on March 8, 2022, the Board entered into an Agency Endowment Fund Agreement with the Community Foundation of West Kentucky. An irrevocable initial investment of \$192,000 was contributed to the Community Foundation of West Kentucky (Vince Clark Rocket Foundation Endowment Fund). The Board of Directors of the Community Foundation of West Kentucky have absolute authority and ownership of the assets of the endowment fund.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 17 – RECENT ACCOUNTING PROUNCEMENTS**

Implemented

GASB Statement No. 101, *Compensated Absences* – The Board adopted this standard effective July 1, 2024. The standard modifies the recognition and measurement of compensated absences. The adoption did not result in material change to the financial position or results of operations.

GASB Statement No. 102, *Certain Risk Disclosures* – Effective for fiscal years beginning after June 15, 2024. The standard requires disclosure of concentrations and constraints that could impact a government's financial position or operations within 12 months of the financial statement date.

Recent pronouncements

The following standards were issued but not yet effective as of June 30, 2025. The Board is currently evaluating the impact of these standards.

GASB Statement No. 103, *Financial Reporting Model Improvements* – Effective for fiscal years beginning after June 15, 2025. The standard will significantly revise the presentation of governmental financial statements.

GASB No. 104, *Disclosure of Certain Capital Assets* – Effective for fiscal years beginning after June 15, 2025. The District is evaluating the impact on disclosures related to infrastructure and intangible assets.

**NOTE 18 – CERTAIN RISK DISCLOSURES**

GASB Statement No. 102, *Certain Risk Disclosures*, requires disclosure of concentrations and constraints that could significantly affect a government's financial position or operations within twelve months after the financial statement date. Managements evaluated potential risks and identified the following:

Revenue Concentration – A substantial portion of the District's funding is dependent on state appropriations, supplemented by federal grants and local tax revenues. Because of this reliance, changes in state or federal levels could pose a significant risk to the District's financial stability and operations.

Deposit Concentration – The District maintains substantially all cash and investment balances with a single qualified public depository. All balances are insured or collateralized in accordance with KRS 41.240, and management monitors collateral coverage on an ongoing basis.

Statutory Constraints – The District's ability to increase local property-tax rates is limited by Kentucky's "4 Percent" statute and House Bill 44, which restrict revenue growth without the possibility of recall by voters. These provisions may limit future local revenue capacity.

Management is not aware of any other concentrations or constraints expected to have a material effect on the District's financial position or operations within twelve months of June 30, 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>REVENUES</b>				
From local sources				
Taxes				
Property	\$ 2,185,902	\$ 2,185,902	\$ 2,245,704	\$ 59,802
Motor vehicle	435,000	435,000	477,656	42,656
Utilities	425,000	425,000	532,576	107,576
Other	1,305	1,305	751	(554)
Earnings on investments	55,014	55,014	128,251	73,237
Other local revenues	41,850	63,480	133,327	69,847
Intergovernmental - state	10,174,302	10,260,058	10,500,092	240,034
Intergovernmental - federal	37,000	43,000	44,637	1,637
Total revenues	<u>13,355,373</u>	<u>13,468,759</u>	<u>14,062,994</u>	<u>594,235</u>
<b>EXPENDITURES</b>				
Current				
Instruction	7,414,922	7,424,170	7,359,428	64,742
Support services				
Student	828,156	979,842	982,458	(2,616)
Instructional staff	532,631	695,888	605,913	89,975
District administration	882,604	886,079	735,566	150,513
School administration	1,108,313	1,004,066	955,677	48,389
Business	413,462	372,096	337,124	34,972
Plant operations and maintenance	1,557,021	4,278,387	3,846,317	432,070
Student transportation	1,214,425	1,198,918	985,108	213,810
Other instructional	13,650	13,650	13,859	(209)
Community service activities	13,963	25,860	16,490	9,370
Food service	2,646	2,646	2,548	98
Debt service	82,306	164,610	82,306	82,304
Contingency	675,304	675,304	-	675,304
Total expenditures	<u>14,739,403</u>	<u>17,721,516</u>	<u>15,922,794</u>	<u>1,798,722</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,384,030)</u>	<u>(4,252,757)</u>	<u>(1,859,800)</u>	<u>2,392,957</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Extraordinary item - insurance proceeds	-	2,615,173	2,615,173	-
Sale of equipment	-	-	3,972	3,972
Transfers in	-	182,210	182,210	-
Transfers (out)	(34,000)	(34,000)	(29,630)	4,370
Total other financing sources (uses)	<u>(34,000)</u>	<u>2,763,383</u>	<u>2,771,725</u>	<u>8,342</u>
Net change in fund balance	(1,418,030)	(1,489,374)	911,925	2,401,299
<b>Fund balance, beginning of year</b>	<u>1,418,030</u>	<u>1,489,374</u>	<u>1,679,306</u>	<u>189,932</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,591,231</u>	<u>\$ 2,591,231</u>

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amount</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
From local sources				
Other local revenues	\$ -	\$ -	\$ 6,340	\$ 6,340
Intergovernmental - state	719,719	760,975	851,166	90,191
Intergovernmental - federal	1,306,247	1,538,493	2,243,345	704,852
Total revenues	<u>2,025,966</u>	<u>2,299,468</u>	<u>3,100,851</u>	<u>801,383</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,116,992	1,202,460	1,918,465	(716,005)
Support services				
Student	140,329	147,988	275,427	(127,439)
Instructional staff	495,591	663,691	601,557	62,134
District admin support	103,055	102,985	111,054	(8,069)
Business	31,846	33,652	43,820	(10,168)
Student transportation	1,741	1,741	-	1,741
Plant operations and maintenance	75,912	86,451	86,571	(120)
Community services	94,500	94,500	93,587	913
Total expenditures	<u>2,059,966</u>	<u>2,333,468</u>	<u>3,130,481</u>	<u>(797,013)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(34,000)</u>	<u>(34,000)</u>	<u>(29,630)</u>	<u>4,370</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>34,000</u>	<u>34,000</u>	<u>29,630</u>	<u>(4,370)</u>
Total other financing sources (uses)	<u>34,000</u>	<u>34,000</u>	<u>29,630</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – CONSTRUCTION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amount</u>			<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
From local sources				
Earnings on investments	\$ -	\$ -	\$ 338,397	\$ 338,397
Total revenues	-	-	338,397	338,397
<b>EXPENDITURES</b>				
Current				
Architectural/Engineering	-	(322,174)	5,580,639	(5,902,813)
Building improvements	-	3,304,027	1,871,516	1,432,511
Debt service	-	-	43,800	(43,800)
Total expenditures	-	2,981,853	7,495,955	(4,514,102)
Excess (deficit) of revenues over (under) expenditures	-	(2,981,853)	(7,157,558)	(4,175,705)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	3,187,922	3,325,000	137,078
Bond premium (discount)	-	-	22,827	22,827
Total other financing sources (uses)	-	3,187,922	3,347,827	159,905
Net change in fund balance	-	206,069	(3,809,731)	(4,015,800)
<b>Fund balance, beginning of the year</b>	-	-	8,320,827	8,320,827
<b>Fund balance, end of the year</b>	\$ -	\$ 206,069	\$ 4,511,096	\$ 4,305,027

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
BUDGET AND ACTUAL  
JUNE 30, 2025**

**NOTE 1 – BUDGETARY INFORMATION**

**Budgetary Process**

**Budgetary Basis of Accounting:** Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

As required by KRS 160.470, on or before January 31 of each year, the District commences budget preparation for the following fiscal year. Before May 30, a tentative working budget is presented to the Kentucky Department of Education. A final working budget must be prepared and adopted no later than September 30. The budget is periodically amended and adopted by the Board of Education during the fiscal year with a final budget adopted by the Board prior to June 30.

The appropriated budget is prepared by fund unit, function, program, level object and project. The legal level of budgetary control is the fund level.

The General Fund FY25 budget includes \$3,708,058 of state payments on behalf of District employees for retirement and health benefits, technology and debt service.

**Reconciliation between the Budgetary Basis of Accounting and GAAP**

There were no material variances between the GAAP prescribed basis of accounting for governmental funds and the budgetary basis used by the District.

**Expenditures Exceeding Appropriations**

Expenditures exceeded appropriations in the Special Revenue Fund by \$797,013. These over-expenditures were funded by revenues in excess of those originally anticipated in that fund.

Expenditures exceeded appropriations in the Construction Fund by \$4,175,705. These over-expenditures were funded by beginning fund balance and the issuance of the 2025 bond to cover construction costs.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
COUNTY EMPLOYEES RETIREMENT SYSTEM**

<u>As of June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of net pension liability	0.070515%	0.071000%	0.071160%	0.071546%	0.071812%
District's proportionate share of net pension liability	\$ 4,217,096	\$4,555,721	\$5,144,166	\$4,561,619	\$5,507,921
District's covered-employee payroll	\$ 2,239,504	\$2,081,158	\$1,978,725	\$1,843,441	\$1,845,463
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	188.30%	218.90%	259.97%	247.45%	298.46%
Plan fiduciary net position as a percentage of total pension liability	61.61%	57.48%	52.42%	57.33%	47.81%
<u>As of June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of net pension liability	0.072288%	0.072649%	0.072828%	0.074500%	0.070500%
District's proportionate share of net pension liability	\$ 5,085,130	\$4,424,546	\$4,262,847	\$3,665,668	\$3,029,930
District's covered-employee payroll	\$ 1,832,035	\$1,800,131	\$1,772,439	\$1,780,451	\$1,643,773
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	277.57%	245.79%	240.51%	205.88%	184.33%
Plan fiduciary net position as a percentage of total pension liability	50.45%	53.54%	53.30%	55.50%	59.97%

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION  
COUNTY EMPLOYEES RETIREMENT SYSTEM**

<u>For the year ended June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 446,816	\$ 522,700	\$ 486,991	\$ 418,701	\$ 355,627
Contributions in relation to the contractually required contribution	<u>446,816</u>	<u>522,700</u>	<u>486,991</u>	<u>418,701</u>	<u>355,627</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 2,266,952	\$ 2,239,504	\$ 2,081,158	\$ 1,978,725	\$ 1,843,441
Contributions as a percentage of covered-employee payroll	19.71%	23.34%	23.40%	21.17%	19.30%
<u>For the year ended June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 295,820	\$ 297,256	\$ 260,659	\$ 247,243	\$ 221,126
Contributions in relation to the contractually required contribution	<u>295,820</u>	<u>297,256</u>	<u>260,659</u>	<u>247,243</u>	<u>221,126</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 1,845,463	\$ 1,832,035	\$ 1,800,131	\$ 1,772,439	\$ 1,780,451
Contributions as a percentage of covered-employee payroll	19.30%	16.22%	14.48%	13.95%	12.42%

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION  
COUNTY EMPLOYEES RETIREMENT SYSTEM**

**Changes in benefit terms**

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

2024: No changes in benefit terms.  
2023: No changes in benefit terms.  
2022: No changes in benefit terms.  
2021: No changes in benefit terms.  
2020: No changes in benefit terms.  
2019: No changes in benefit terms.  
2018: No changes in benefit terms.  
2017: No changes in benefit terms.  
2016: No changes in benefit terms.  
2015: No changes in benefit terms.

**Changes in assumptions**

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

2024: No changes.

2023: The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023 and included a change in the investment return assumption from 6.25% to 6.50%. The KRS Board of Trustees adopted new actuarial assumptions on June 5, 2023. These assumptions are documented in the report titled “2022 Actuarial Experience Study for the Period Ending June 30, 2022”. The total pension liability as of June 30, 2023, is determined using these updated assumptions.

2022: No changes.

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

2020: During the legislative session, Senate Bill 249 was enacted which changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not affect the calculation of total pension liability and only affects the calculation of the contribution rates that would be payable starting July 1, 2020. Additionally, House Bill 271 was enacted with removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries. This did not have a material (or measurable) impact on the liability of the plans and therefore, no adjustment was made to the total pension liability to reflect this legislation.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION  
COUNTY EMPLOYEES RETIREMENT SYSTEM**

Changes in assumptions, continued

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

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

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

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

2015: No changes in assumptions.

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM**

<u>As of June 30</u>	2025	2024	2023	2022	2021
District's proportion of net pension liability	0%	0%	0%	0%	0%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of net pension liability	\$ 24,881,804	\$ 28,155,820	\$ 28,341,879	\$ 21,161,029	\$ 23,222,090
District's covered-employee payroll	\$ 6,274,259	\$ 6,593,882	\$ 6,589,723	\$ 8,013,675	\$ 5,816,686
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	60.36%	57.68%	56.41%	65.59%	58.27%
<u>As of June 30</u>	2020	2019	2018	2017	2016
District's proportion of net pension liability	0%	0%	0%	0%	0%
District's proportionate share of net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of net pension liability	\$ 21,747,189	\$ 21,494,044	\$ 43,221,229	\$ 47,426,143	\$ 38,622,185
District's covered-employee payroll	\$ 5,476,783	\$ 5,561,500	\$ 5,413,427	\$ 5,411,368	\$ 5,412,400
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	58.76%	59.30%	39.83%	35.22%	42.49%

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION**  
**TEACHERS' RETIREMENT SYSTEM**

<u>For the year ended June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 5,879,679	\$ 6,274,259	\$ 6,593,882	\$ 6,589,723	\$ 8,013,675
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
<u>For the year ended June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 5,816,686	\$ 5,476,783	\$ 5,561,500	\$ 5,413,427	\$ 5,411,368
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION  
TEACHERS’ RETIREMENT SYSTEM**

**Changes in benefit terms**

2024: No changes in benefit terms.

2023: No changes in benefit terms.

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

**Changes in assumptions**

2024: No changes in assumptions.

2023: No changes in assumptions.

2022: No changes in assumptions.

2021: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was changed to the PUB2010 Mortality Tables (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set-forwards, setbacks and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees and actives. The assumed long-term investment rate of return was changed from 7.50% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. In addition, the calculation of the Single Equivalent Interest Rate (SEIR) results in an assumption change from 7.50% to 7.10%.

2020: No changes in assumptions.

2019: No changes in assumptions.

2018: The calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumptions change from 4.49% to 7.50%

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

2016: In the 2016 valuation, rates of withdraw, 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 assumption change from 4.88% to 4.20%.

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

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

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY**  
**COUNTY EMPLOYEE RETIREMENT SYSTEM**

<u>As of June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of collective net OPEB liability (asset)	0.070584%	0.070997%	0.071147%	0.071529%	0.071793%
District's proportionate share of collective net OPEB liability (asset)	\$ (122,096)	\$ (98,023)	\$ 1,404,096	\$ 1,369,387	\$ 1,733,583
District's covered-employee payroll	\$ 2,239,504	\$ 2,081,158	\$ 1,978,725	\$ 1,843,411	\$ 1,845,463
District's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	-5.39%	-4.38%	70.96%	74.29%	93.94%
Plan fiduciary net position as a percentage of total OPEB liability	104.89%	104.23%	60.95%	62.91%	51.67%
<u>As of June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>		
District's proportion of collective net OPEB liability	0.072307%	0.072647%	0.072828%		
District's proportionate share of collective net OPEB liability	\$ 1,215,791	\$ 1,289,833	\$ 1,464,092		
District's covered-employee payroll	\$ 1,832,035	\$ 1,800,131	\$ 1,800,131		
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	66.36%	71.65%	81.33%		
Plan fiduciary net position as a percentage of total OPEB liability	60.44%	57.62%	52.40%		

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB**  
**COUNTY EMPLOYEE RETIREMENT SYSTEM**

<u>For the year ended June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required OPEB contribution	\$ -	\$ -	\$ 70,551	\$ 114,317	\$ 87,838
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>70,551</u>	<u>114,317</u>	<u>87,838</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,266,952	\$ 2,239,504	\$ 2,081,158	\$ 1,978,725	\$ 1,843,411
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	3.39%	5.78%	4.76%
<u>For the year ended June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>		
Contractually required OPEB contribution	\$ 104,176	\$ 96,398	\$ 84,605		
Contributions in relation to the contractually required contribution	<u>104,176</u>	<u>96,398</u>	<u>84,605</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
District's covered-employee payroll	\$ 1,845,463	\$ 1,832,035	\$ 1,800,131		
Contributions as a percentage of covered-employee payroll	5.64%	5.26%	4.70%		

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB  
COUNTY EMPLOYEE RETIREMENT SYSTEM**

**Notes to Schedule**

Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

**Changes in benefit terms**

2024: No changes in benefit terms.

2023: No changes in benefit terms.

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms (other than the blended discount rate used to calculate the total OPEB liability).

**Changes in assumptions**

2024: The discount rate used to calculate the total OPEB liability increased from 5.93% to 5.99% for non-hazardous and 5.97% to 6.02% for the hazardous plan.

2023: The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023. The KRS Board of Trustees adopted new actuarial assumptions on June 5, 2023. These assumptions are documented in the report titled “2022 Actuarial Experiences Study for the Period Ending June 30, 2022”. Additionally, the single discount rates used to calculate the total OPEB liability within each plan changed since the prior year. The total OPEB liability as of June 30, 2023, is determined using these updated assumptions.

2022: The initial healthcare trend rate for pre-65 was changed from 6.30% to 6.20%. The initial healthcare trend rate for post-65 was changed from 6.30% to 9.00%.

2021: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 12 of the financial statements. During the 2021 legislative session, Senate Bill 169 was enacted which increased disability benefits for certain qualifying members who become “totally and permanently disabled” in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021 is determined using these updated benefit provisions.

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

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB  
COUNTY EMPLOYEE RETIREMENT SYSTEM**

Changes in assumptions, continued

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

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

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

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM – MEDICAL INSURANCE FUND**

<u>As of June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of collective net OPEB liability	0.077003%	0.085919%	0.120136%	0.086100%	0.087187%
District's proportionate share of collective net OPEB liability	\$ 1,716,000	\$2,093,000	\$2,982,000	\$1,847,000	\$2,200,000
State's proportionate share of collective net OPEB liability	\$ 1,529,000	\$1,764,000	\$ 980,000	\$1,500,000	\$1,763,000
District's covered-employee payroll	\$ 6,274,259	\$5,470,880	\$5,313,533	\$6,013,675	\$5,816,686
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	27.35%	31.74%	56.12%	30.71%	37.82%
Plan fiduciary net position as a percentage of total OPEB liability	59.81%	52.97%	47.75%	39.10%	39.05%
<u>As of June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>		
District's proportion of collective net OPEB liability	0.084333%	0.084240%	0.084090%		
District's proportionate share of collective net OPEB liability	\$ 2,468,000	\$2,923,000	\$2,998,000		
State's proportionate share of collective net OPEB liability	\$ 1,993,000	\$2,519,000	\$2,449,000		
District's covered-employee payroll	\$ 5,476,783	\$5,561,500	\$5,561,500		
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	45.06%	52.56%	53.91%		
Plan fiduciary net position as a percentage of total OPEB liability	32.58%	25.50%	21.18%		

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB**  
**TEACHERS' RETIREMENT SYSTEM – MEDICAL INSURANCE FUND**

<u>For the year ended June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 175,940	\$ 351,523	\$ 163,670	\$ 159,406	\$ 152,821
Contributions in relation to the contractually required contribution	<u>175,940</u>	<u>351,523</u>	<u>163,670</u>	<u>159,406</u>	<u>152,821</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 5,879,679	\$6,274,259	\$5,470,880	\$5,313,533	\$6,013,675
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	3.00%	3.00%
<u>For the year ended June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>		
Contractually required contribution	\$ 146,847	\$ 150,063	\$ 166,845		
Contributions in relation to the contractually required contribution	<u>146,847</u>	<u>150,063</u>	<u>166,845</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
District's covered-employee payroll	\$ 5,816,686	\$5,476,783	\$5,561,500		
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%		

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM – LIFE INSURANCE FUND**

<u>As of June 30</u>	2025	2024	2023	2022	2021
District's proportion of collective net OPEB liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of collective net OPEB liability	\$ 35,000	\$ 44,000	\$ 49,000	\$ 20,000	\$ 53,000
District's covered-employee payroll	\$ 6,274,259	\$5,470,880	\$5,313,533	\$6,013,675	\$5,816,686
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total OPEB liability	80.56%	76.91%	73.97%	89.15%	71.57%
<u>As of June 30</u>	2020	2019	2018		
District's proportion of collective net OPEB liability	0.000000%	0.000000%	0.000000%		
District's proportionate share of collective net OPEB liability	\$ -	\$ -	\$ -		
State's proportionate share of collective net OPEB liability	\$ 46,000	\$ 43,000	\$ 33,000		
District's covered-employee payroll	\$ 5,476,783	\$5,561,500	\$5,561,500		
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%		
Plan fiduciary net position as a percentage of total OPEB liability	73.40%	75.00%	79.99%		

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB**  
**TEACHERS' RETIREMENT SYSTEM – LIFE INSURANCE FUND**

<u>For the year ended June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	_____ -	_____ -	_____ -	_____ -	_____ -
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 5,879,679	\$ 6,274,259	\$ 5,470,880	\$ 5,313,533	\$ 6,013,675
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
<u>For the year ended June 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>		
Contractually required contribution	\$ -	\$ -	\$ -		
Contributions in relation to the contractually required contribution	_____ -	_____ -	_____ -		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
District's covered-employee payroll	\$ 5,816,686	\$ 5,476,783	\$ 5,561,500		
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%		

See accompanying notes to the required supplementary information

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB  
TEACHERS’ RETIREMENT SYSTEM**

**Notes to Schedule**

Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Medical Insurance Fund**

**Changes in benefit terms**

2024: No changes in benefit terms.

2023: No changes in benefit terms.

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

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

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

**Changes in assumptions**

2024: The health care trend rates were updated to reflect future anticipated experience.

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

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

2021: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and 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, setbacks and adjustments for each of the groups: service retirees, contingent annuitants, disabled retirees and actives. The assumed long-term investment rate of return was changed from 8.00% to 7.10%. The price inflation assumption was lowered from 3.00% to 2.50%. The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB  
TEACHERS’ RETIREMENT SYSTEM**

**Life Insurance Fund**

Changes in benefit terms

2024: No changes in benefit terms.

2023: No changes in benefit terms.

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

Changes in assumptions

2024: The TRS 4 retirement decrements were updated to reflect future anticipated experience.

2023: The TRS 4 retirement decrements were updated to reflect future anticipated experience.

2022: None

2021: In the 2020 experience study, rates of withdrawal, retirement, disability, mortality and salary increases were adjusted to reflect actual experience more closely. The assumed long-term investment rate of return was changed from 8.00% to 7.10% and the price inflation assumption was lowered from 3.00% to 2.50%. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

**OTHER SUPPLEMENTARY INFORMATION**

**CRITTENDEN COUNTY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025**

		SEEK				Total
	FSPK	Student Activity	Capital Outlay	Debt Service	District Activity	Nonmajor Governmental
<b>ASSETS</b>						
Cash and cash equivalents	\$ 22,265	\$ 316,503	\$ -	\$ -	\$ 16,643	\$ 355,411
Total assets	<u>\$ 22,265</u>	<u>\$ 316,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,643</u>	<u>\$ 355,411</u>
<b>FUND BALANCES</b>						
Restricted	\$ 22,265	\$ -	\$ -	\$ -	\$ -	\$ 22,265
Assigned	<u>-</u>	<u>316,503</u>	<u>-</u>	<u>-</u>	<u>16,643</u>	<u>333,146</u>
Total fund balances	<u>\$ 22,265</u>	<u>\$ 316,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,643</u>	<u>\$ 355,411</u>

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

	FSPK	Student Activity	SEEK Capital Outlay	Debt Service	District Activity	Total Nonmajor Governmental
<b>REVENUES</b>						
From local sources						
Taxes						
Property	\$ 297,549	\$ -	\$ -	\$ -	\$ -	\$ 297,549
Earnings on investments	-	12,537	-	-	-	12,537
Other local revenues	-	335,031	-	-	25,994	361,025
Intergovernmental - state	438,721	-	121,597	351,155	-	911,473
Total revenues	736,270	347,568	121,597	351,155	25,994	1,582,584
<b>EXPENDITURES</b>						
Current						
Instruction	-	330,557	-	-	28,032	358,589
Support services						
Student	-	64	-	-	-	64
Instructional staff	-	13,907	-	-	-	13,907
Student transportation	-	27,303	-	-	-	27,303
Other instructional	-	3,999	-	-	-	3,999
Debt service	-	-	-	1,026,812	-	1,026,812
Total expenditures	-	375,830	-	1,026,812	28,032	1,430,674
Excess (deficit) of revenues over (under) expenditures	736,270	(28,262)	121,597	(675,657)	(2,038)	151,910

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES, continued  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	FSPK	Student Activity	SEEK Capital Outlay	Debt Service	District Activity	Total Nonmajor Governmental
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	675,657	-	675,657
Transfers (out)	<u>(736,270)</u>	-	<u>(121,597)</u>	-	-	<u>(857,867)</u>
Total other financing sources (uses)	<u>(736,270)</u>	-	<u>(121,597)</u>	<u>675,657</u>	-	<u>(182,210)</u>
Net change in fund balances	-	(28,262)	-	-	(2,038)	(30,300)
<b>Fund balances, beginning of year</b>	<u>22,265</u>	<u>344,765</u>	-	-	18,681	385,711
<b>Fund balances, end of year</b>	<u>\$ 22,265</u>	<u>\$ 316,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,643</u>	<u>\$ 355,411</u>

**CRITTENDEN COUNTY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF SCHOOL ACTIVITY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Cash Balance			Cash Balance			Accounts	Accounts	Fund Balance
	July 1, 2024	Receipts	Disbursements	June 30, 2025	Receivable	Payable			
Crittenden County High School	\$ 241,315	\$ 263,858	\$ 298,492	\$ 206,681	\$ 4,000	\$ 4,000			\$ 206,681
Crittenden County Middle School	77,709	31,945	22,040	87,614	-	-			87,614
Crittenden County Elementary School	25,741	53,977	57,510	22,208	-	-			22,208
<b>Totals</b>	<b>\$ 344,765</b>	<b>\$ 349,780</b>	<b>\$ 378,042</b>	<b>\$ 316,503</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>			<b>\$ 316,503</b>

**CRITTENDEN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
CRITTENDEN COUNTY HIGH SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2025**

	Cash Balance July 1, 2024	Receipts	Disbursements	Cash Balance June 30, 2025	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2025
Academic Team	\$ 351	\$ 2,190	\$ 2,103	\$ 438	\$ -	\$ -	\$ 438
Athletic Department	9,804	31,993	25,107	16,690	-	-	16,690
Assigned beginning balance	1,673	-	1,673	-	-	-	-
Band	520	796	602	714	-	-	714
Baseball	7,143	3,199	7,024	3,318	-	-	3,318
Beta Club	2,612	1,608	1,128	3,092	-	-	3,092
Boys' Basketball	21,767	12,898	18,543	16,122	-	-	16,122
CC House	947	-	947	-	-	-	-
Cheerleaders	-	917	715	202	-	-	202
Chess	1,870	358	665	1,563	-	-	1,563
Class of '28	-	1,235	-	1,235	-	-	1,235
Concession	5,806	33,142	36,447	2,501	-	-	2,501
District Games	7,910	-	7,910	-	-	-	-
Family Career Community Leader	3,379	3,296	5,967	708	-	-	708
Fellowship of Christian Athletes	2,826	330	90	3,066	-	-	3,066
Football	42,497	43,072	56,636	28,933	-	-	28,933
Future Business Leaders	2,922	8,884	6,170	5,636	-	-	5,636
Future Educators of America	506	-	506	-	-	-	-
Future Farmers of America	5,294	13,868	14,886	4,276	-	4,000	276
Future Healthcare Providers	1,792	3,128	3,419	1,501	-	-	1,501
General Fund	20,808	26,259	7,739	39,328	-	-	39,328
General Supplies	937	1,257	1,510	684	-	-	684
Girls' Basketball	13,335	23,277	23,314	13,298	4,000	-	17,298

Continued

**CRITTENDEN COUNTY SCHOOL DISTRICT  
STATEMENT OF SCHOOL ACTIVITY FUNDS  
CRITTENDEN COUNTY HIGH SCHOOL, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Cash Balance July 1, 2024</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Cash Balance June 30, 2025</b>	<b>Accounts Receivable</b>	<b>Accounts Payable</b>	<b>Due to Student Groups June 30, 2025</b>
Grand March	1,793	459	1,540	712	-	-	712
Greenhouse Plants	16,915	3,922	2,838	17,999	-	-	17,999
Guidance	1,727	-	64	1,663	-	-	1,663
JAG	-	733	646	87	-	-	87
JR Sportsman	792	170	-	962	-	-	962
Library	1,034	-	582	452	-	-	452
Pep Club	271	-	271	-	-	-	-
Prom	1,781	3,774	4,283	1,272	-	-	1,272
School trips	1,624	5,467	6,832	259	-	-	259
Security /parking	-	435	435	-	-	-	-
Senior Class trip	851	3,225	4,085	(9)	-	-	(9)
Small business	4,505	133	3,102	1,536	-	-	1,536
Soccer	6,419	2,871	4,687	4,603	-	-	4,603
Soccer concessions	-	-	-	-	-	-	-
Softball	5,232	1,663	5,417	1,478	-	-	1,478
Special Olympics	1,940	-	1,940	-	-	-	-
Speech	417	396	590	223	-	-	223
Student Council	8,305	4,023	3,918	8,410	-	-	8,410
Student Rewards	91	-	91	-	-	-	-
Student Technology Leadership	4	-	4	-	-	-	-
Technology Students Association	823	180	784	219	-	-	219
Track	313	-	313	-	-	-	-
Washington Trip	819	6,853	6,822	850	-	-	850
Welding	-	2,751	-	2,751	-	-	2,751
Volleyball	8,751	10,466	8,512	10,705	-	-	10,705
Yearbook	18,299	4,630	13,725	9,204	-	-	9,204
Young Politicians	3,910	-	3,910	-	-	-	-
<b>Totals</b>	<b>\$ 241,315</b>	<b>\$ 263,858</b>	<b>\$ 298,492</b>	<b>\$ 206,681</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 206,681</b>

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

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures			
<b>U. S. Department of Education</b>						
Passed through State Department of Education:						
Special Education Cluster						
Special Education - Grants to States	84.027	3810002-23	\$ 27,965			
Special Education - Grants to States	84.027	3810002-24	274,928			
Special Education - Preschool Grants	84.173	3800002-24	<u>14,512</u>			
Total Special Education Cluster				\$ 317,405		
Title I Grants to Local Education Agencies	84.010	3100002-23	43,029			
	84.010	3100002-21	6,241			
	84.010	3100002-22	5,831			
	84.010	3100002-24	<u>640,684</u>	695,785		
Career and Technical Education -						
Basic Grants to States	84.048	3710002-24	23,970			
	84.048	3710002-23	815			
	84.048	3710002-22	<u>3,290</u>	28,075		
Twenty-First Century Community Learning Centers	84.287	3400002-23	33,655			
	84.287	3400002-24	<u>95,154</u>	128,809		
Rural Education	84.358	3140002-24	44,732			
	84.358	3140002-22	17,597			
	84.358	3140002-23	<u>38,519</u>	100,848		
Supporting Effective Instruction - State Grants	84.367	3230002-24	35,999			
	84.367	3230002-22	19,933			
	84.367	3230002-23	<u>46,090</u>	102,022		
Comprehensive Literacy Development	84.371	3220002-22	16,898			
	84.371	3220002-23	166,989			
	84.371	3220002-21	<u>11,468</u>	195,355		
Student Support and Academic Enrichment Program	84.424	3420002-24	25,464			
	84.424	3420002-25	44,041			
	84.424	3420002-23	<u>2,222</u>	71,727		
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act	84.425	4300005-21	529,957			
	84.425	4980002-21	63,127			
	84.425	4200003-21	<u>10,233</u>	603,317		
<b>Total U. S. Department of Education</b>				<b><u>2,243,343</u></b>		

Continued

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

Federal Grantor/Pass-Through Grantor Program Title	Federal Prefix ALN	Pass-Through Grantor's Number	Federal Expenditures
<b>U. S. Department of Agriculture</b>			
Passed through State Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	7760005-25	196,192
	10.553	7760005-24	52,080
National School Lunch Program	10.555	7750002-25	472,829
	10.555	7750002-24	125,572
Summer Food Service Program for Children	10.559	7740023-24	79,626
	10.559	7740023-25	94,248
	10.559	7690024-25	9,670
	10.559	7690024-24	<u>8,145</u>
Total Child Nutrition Cluster			1,038,362
Child and Adult Care Food Program	10.558	7790021-25	1,661
	10.558	7790021-24	190
	10.558	7800016-25	113
	10.558	7800016-24	<u>13</u>
			1,977
State Administrative Expenses for Child Nutrition	10.560	7700001-24	3,002
Other U. S. Department of Agriculture Programs:			
Fresh Fruit and Vegetable Program	10.555	Direct	<u>45,644</u>
<b>Total U.S. Department of Agriculture</b>			<u>1,088,985</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 3,332,329</u>

See notes to Schedule of Expenditures of Federal Awards

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Crittenden County School District (District) under 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.

Amounts reported in the Schedule agree to the federal revenue and expenditure amounts reported in the District's financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures are recognized on the accrual basis of accounting, consistent with the District's financial statements. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

**NOTE 3 – SUBRECIPIENTS**

There were no subrecipients during the fiscal year.

**NOTE 4 – INDIRECT COST RATE**

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

**NOTE 5 – COMMODITIES**

Nonmonetary assistance is reported in the Schedule at the fair market value of the USDA food commodities received and disbursed.

**NOTE 6 – DUAL GUIDANCE FRAMEWORK**

The Schedule includes federal awards subject to both the pre-2024 Uniform Guidance and the revised Uniform Guidance effective October 1, 2024. Compliance requirements tested were based on the applicable version for each award.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued  
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 7 – RECONCILIATION OF SCHEDULE TO FINANCIAL STATEMENTS**

The following is a reconciliation of the total in the Schedule of Expenditures of Federal Awards to the total federal revenue included in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds and in the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds:

Total intergovernmental - federal	\$ 2,287,982
Total federal - School Food Service	1,043,339
Donated commodities	45,644
Less:	
Medicaid funds received	<u>(44,637)</u>
Total per SEFA	<u>\$ 3,332,328</u>

## **INTERNAL CONTROL AND COMPLIANCE**

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

Kentucky State Committee  
for School District Audits  
Members of the Board of Education  
Crittenden County School District  
Marion, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Crittenden County School District (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 December 16, 2025.

### **Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

We noted certain matters that we reported to management of Crittenden County School District in a separate report dated December 16, 2025.

### **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.

DGA, PSC

**DGA, PSC**

Certified Public Accountants  
Hopkinsville, Kentucky

December 16, 2025

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## **INDEPENDENT AUDITORS' 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  
Crittenden County School District  
Marion, Kentucky

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

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

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

#### ***Basis for Opinion on Each Major Federal Program***

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

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

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## **Report on Internal Control over Compliance**

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

*over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

DGA, PSC

**DGA, PSC**

Certified Public Accountants  
Hopkinsville, Kentucky

December 16, 2025

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

**Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?  yes  no

Major Federal Program:

<u>Program Title</u>	<u>ALN</u>
Title I Grants to Local Education Agencies	84.010

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

Auditee qualified as a low-risk auditee?  yes  no

Continued

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

**Finding – Financial Statement Audit**

None

**Findings and Questioned Costs – Major Federal Aware Programs Audit**

None

**CRITTENDEN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

None

**MANAGEMENT COMMENTS FOR AUDIT**

ANNA B. HERR, CPA, CFE

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December 16, 2025

Kentucky State Committee  
for School District Audits  
Members of the Board of Education  
Crittenden County School District  
Marion, Kentucky

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

During our audit, we did not identify any new matters that we consider to be deficiencies in internal control or opportunities for improving operating efficiencies. We performed a follow-up on the prior year comments noted in the previous year's report. Most of those matters have been resolved by the District. Any remaining items that continue to warrant attention are included in the accompanying memorandum. A separate report dated December 16, 2025 contains our report on the District's internal control. This letter does not affect our report dated December 16, 2025 on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and recommendations 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.

We performed a follow-up on the prior year findings with the status of these findings documented on page 119 of this report.

This report is intended solely for the information and use of management, the members of the Crittenden County Board of Education, others within the District, the Kentucky Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

DGA, PSC

**DGA, PSC**

Certified Public Accountants  
Hopkinsville, Kentucky

**CRITTENDEN COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

There were no findings for the year ended June 30, 2025.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**CRITTENDEN ELEMENTARY SCHOOL**

**I. Condition** – 1 account with balances at year end had no activity during the preceding 12 months and is considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – The finding was not repeated for fiscal year June 30, 2025.

**CRITTENDEN COUNTY MIDDLE SCHOOL**

**I. Condition** – 9 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – The finding was not repeated for fiscal year June 30, 2025.

**CRITTENDEN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**CRITTENDEN COUNTY HIGH SCHOOL**

I. **Condition** – Form F-SA-5 Inventory Control Worksheet was not used and completed properly on a monthly basis.

**Recommendation** – Form F-SA-5 Monthly Inventory Control Worksheet should be completed to recap the flow of inventory monthly and to identify overage and shortages.

**Current Status** – The finding was repeated for fiscal year June 30, 2025, 2024 and 2023.

**Views of Responsible Officials** – The bookkeeper and the principal recently attended Redbook training to strengthen their understanding of the inventory requirements. The bookkeeper is also working with coaches and club sponsors to ensure proper completion of the monthly inventory control worksheet and will continue providing guidance to improve adherence to required procedures.

II. **Condition** – Form F-SA-17 Sales from Concessions/Bookstore/School Store/Pencil Machine Form was missing or not completed properly.

**Recommendation** – Form F-SA-17 Sales form Concessions/Bookstore/School Store/Pencil Machine Form should be completed each time money is collected from these activities. There shall be two different individuals involved: one individual to collect and count the monies from sales and a separate individual to complete the Monthly Inventory Control Worksheet (F-SA-5).

**Current Status** – The finding was repeated for fiscal year June 30, 2025, 2024 and 2023.

**Views of Responsible Officials** – The principal and bookkeeper will meet with the sponsors to review the required procedures for completing Form F-SA-17 and ensuring proper separation of duties. They will continue to monitor compliance and provide guidance to ensure the forms are completed accurately each time funds are collected.

III. **Condition** – 21 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

**Recommendation** – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

**Current Status** – The finding was not repeated for fiscal year June 30, 2025.