



# Ohio County School District

## Financial Statements

June 30, 2025

<b>REPORT</b>	
<b>Independent Auditor’s Report</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>Required Supplementary Information:</b>	
<b>Management’s Discussion and Analysis</b>	<b>5</b>
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements:</b>	
<b>Statement of Net Position</b>	<b>19</b>
<b>Statement of Activities</b>	<b>21</b>
<b>Fund Financial Statements:</b>	
<b>Balance Sheet — Governmental Funds</b>	<b>23</b>
<b>Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position</b>	<b>25</b>
<b>Statement of Revenues, Expenditures and Changes in Fund Balances — Governmental Funds</b>	<b>26</b>
<b>Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities</b>	<b>28</b>
<b>Statement of Net Position — Proprietary Funds</b>	<b>29</b>
<b>Statement of Revenues, Expenses and Changes in Fund Net Position — Proprietary Funds</b>	<b>30</b>
<b>Statement of Cash Flows — Proprietary Funds</b>	<b>31</b>
<b>Statement of Fiduciary Net Position — Fiduciary Funds</b>	<b>33</b>
<b>Statement of Changes in Fiduciary Net Position — Fiduciary Funds</b>	<b>34</b>
<b>Notes to the Financial Statements</b>	<b>35</b>

**Required Supplementary Information:**

<b>Budgetary Comparison Schedule for the General Fund</b>	<b>86</b>
<b>Budgetary Comparison Schedule for the Special Revenue Fund</b>	<b>88</b>
<b>Schedule of the District’s Proportionate Share of the Net Pension Liability and Schedule of District’s Contributions – Kentucky Teachers’ Retirement System</b>	<b>90</b>
<b>Schedule of the District’s Proportionate Share of the Net Pension Liability and Schedule of District’s Contributions – County Employees Retirement System</b>	<b>92</b>
<b>Schedule of the District’s Proportionate Share of the Collective Net OPEB Liability and Schedule of District’s Contributions – Kentucky Teachers’ Retirement System – Medical Insurance Fund</b>	<b>95</b>
<b>Schedule of the District’s Proportionate Share of the Collective Net OPEB Liability and Schedule of District’s Contributions – Kentucky Teachers’ Retirement System – Life Insurance Fund</b>	<b>97</b>
<b>Schedule of the District’s Proportionate Share of the Collective Net OPEB Liability and Schedule of District’s Contributions – County Employees Retirement System</b>	<b>99</b>

**Supplementary Information:**

<b>Combining Balance Sheet — Nonmajor Governmental Funds</b>	<b>102</b>
<b>Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Nonmajor Governmental Funds</b>	<b>103</b>
<b>Combining Statement of Net Position — Nonmajor Proprietary Funds</b>	<b>105</b>
<b>Combining Statement of Revenues, Expenses and Changes in Fund Net Position — Nonmajor Proprietary Funds</b>	<b>106</b>
<b>Combining Statement of Cash Flows — Nonmajor Proprietary Funds</b>	<b>107</b>
<b>Combining Statement of School Activity Funds</b>	<b>108</b>
<b>Statement of School Activity Funds — Ohio County High School</b>	<b>109</b>
<b>Schedule of Expenditures of Federal Awards</b>	<b>111</b>
<b>Notes to the Schedule of Expenditures of Federal Awards</b>	<b>113</b>
<b>Summary Schedule of Prior Audit Findings</b>	<b>114</b>

## Table of Contents

<b>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	<b>115</b>
<b>Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance</b>	<b>117</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>120</b>
<b>Management Letter</b>	<b>122</b>



# REPORT





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## **Independent Auditor's Report**

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

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

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and select pension/OPEB information on pages 5 through 18 and 86 through 101 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026 on our consideration of Ohio County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Carr, Riggs & Ingram, L.L.C.  
Bowling Green, KY  
January 30, 2026



# FINANCIAL STATEMENTS





**OHIO COUNTY PUBLIC SCHOOL DISTRICT  
HARTFORD, KENTUCKY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2025**

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

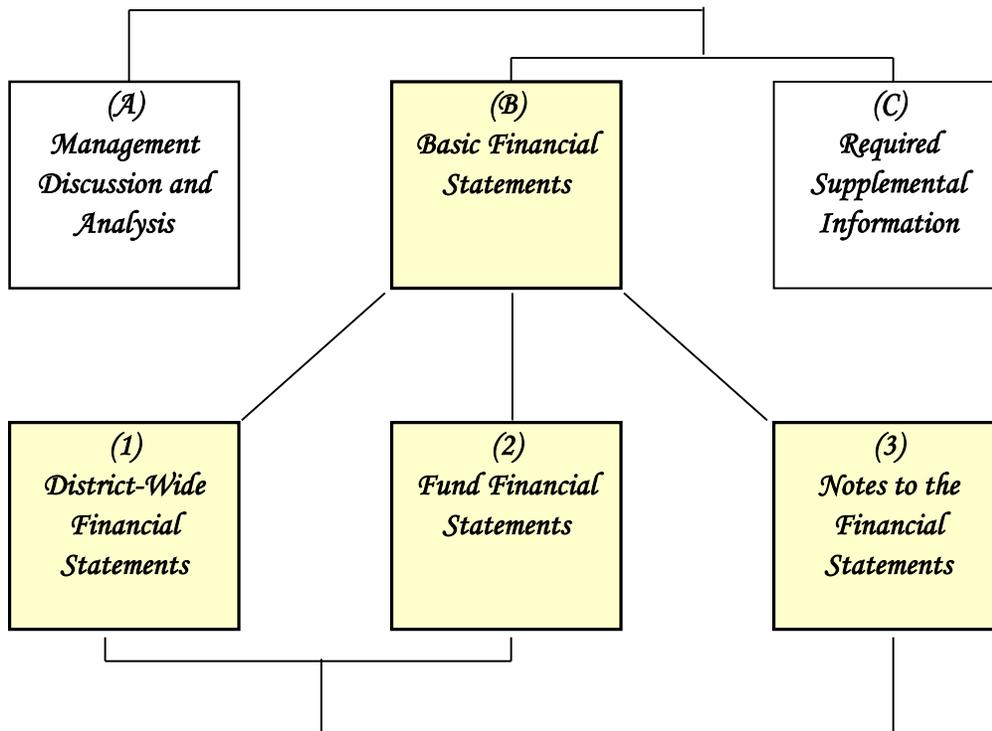
**FINANCIAL HIGHLIGHTS**

- The beginning General Fund fund balance for the District was \$28,028,549. The ending General Fund fund balance at June 30, 2025 is \$28,463,849. General Fund revenues increased by 4.4%, while General Fund expenditures increased by 11%. This represents a current year excess of revenues over expenditures (or surplus) of \$435,300. The revenue increase is primarily due to increased state SEEK funding. Expenditures increased predominantly in instruction and student transportation.
- District government-wide revenues decreased by 3%, while expenditures decreased by 0.7%. As a result, revenues were \$7,748,795 more than expenditures.
- The District receives funding through the SEEK formula which is directly impacted by average daily attendance (ADA) of the prior school year and the property valuation assessment. The District's ADA for FY 2025 SEEK funding was 3,523. General Fund SEEK increased by \$708,653 compared to the previous year. The increase in SEEK funding was primarily due to increased base funding of \$126 per student ADA and increased transportation allocation of \$586,286. Property valuation assessment increased by \$103 million.
- The District has committed \$16 million in the General Fund for future construction. During FY2025, the school district began construction of a new central office and bus garage on a 10 acre parcel of land located on Highway 231 near Beaver Dam at an estimated cost of \$10 million. The project is scheduled to be completed in February, 2026.

## Overview of the Annual Financial Report (AFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Ohio County Public School District as a financial whole, an entire operating entity, in a manner similar to a private-sector business. The annual report consists of three parts: (A) management's discussion and analysis (this section), (B) the basic financial statements and notes, and (C) required and other supplemental information. The statements then proceed to provide an increasingly detailed look at specific financial activities. 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.

# Organization of the Annual Financial Report



The Government-Wide Financial Statements have two sections (1) the *Statement of Net Position* and (2) the *Statement of Activities*. The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's major funds with all other non-major funds presented in total in one column. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## 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.

### Reporting the District as a Whole

One of the most important questions asked about the District is “How did we do financially during 2025?” The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District’s financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the District’s net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. However, the District’s goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as Kentucky’s SEEK funding formula and its adjustments, the District’s property tax base, required educational programs and other factors.

In the Statement of Net Position and the Statements of Activities, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – Most of the District’s programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities. The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). Fixed assets and related debt are also supported by taxes and intergovernmental revenues.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District’s food service is reported as business activities. These activities are funded thru fees, federal grants, and federal commodities.

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$48,569,643 as of June 30, 2025.

The largest portion of the District’s net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that is still outstanding (\$39,763,805). The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

## Reporting the District's Most Significant Funds

### Fund Financial Statements

After looking at the District as a whole, an analysis of the District's major funds follows. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary funds. Fiduciary funds are assets that belong to others. The school activity funds and private purpose trust funds are reported as fiduciary funds. A proprietary fund is sometimes referred to as an enterprise fund. It is a fund that operates like a business with sales of goods and services. All other activities of the district are included in the governmental funds. The major governmental funds for the Ohio County Public School District are the general fund and special revenue (grants) fund and construction fund.

**Governmental Funds** - Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statements of Activities) and governmental *funds* is reconciled in the financial statements.

**Proprietary Funds** - Proprietary funds use the same basis of accounting as business-type activities; therefore, the statements for the proprietary fund will essentially match. The District's school food service operation, after school care program, school auditorium, and the community education operation are within the proprietary business-type activities.

**Fiduciary Funds** – Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. The schools' activity fund balance at year-end totaled \$127,725 (see page 108). The Districts' private purpose trust gross assets at year-end totaled \$3,842,079.

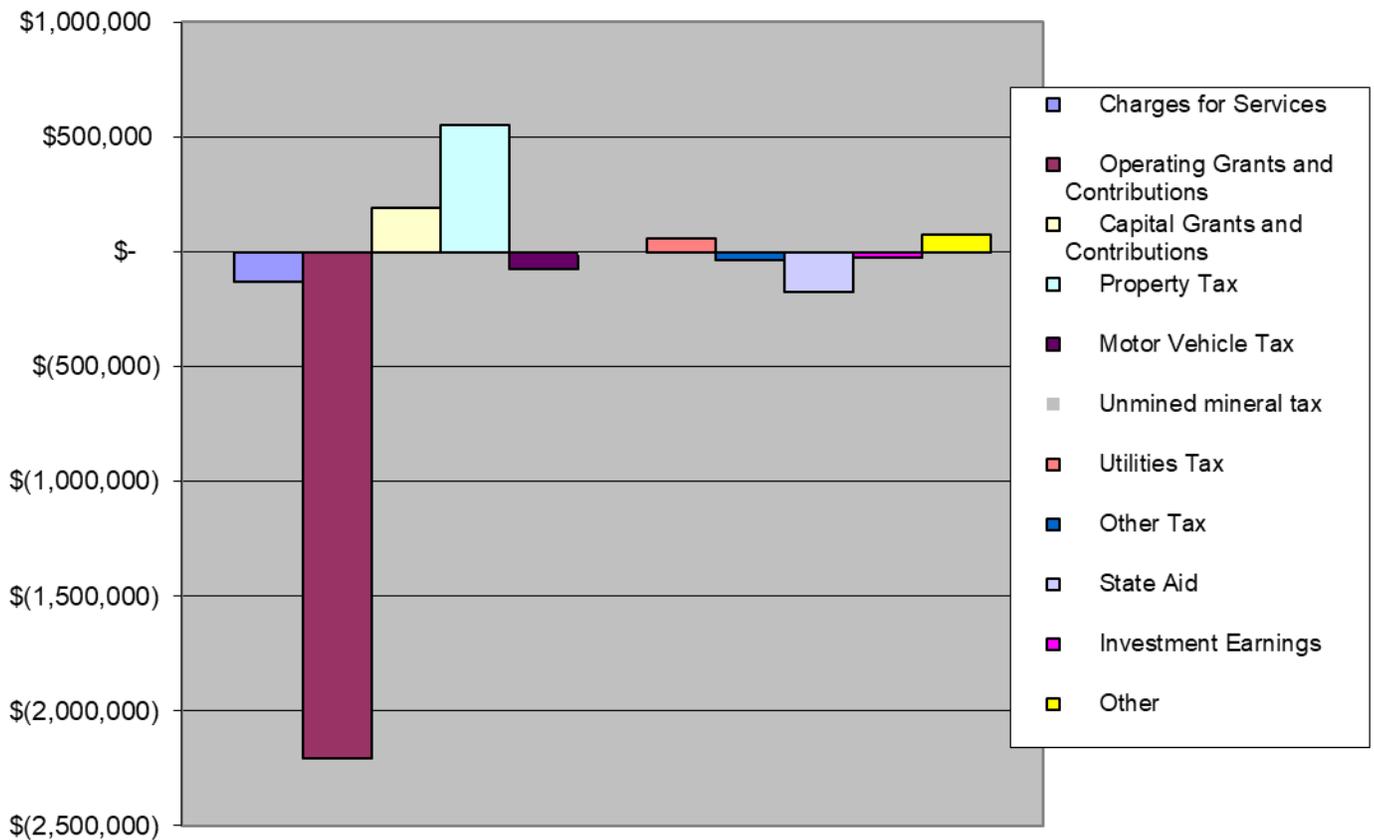
## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

### *Net Position*

	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$ 35,341,925	\$ 39,521,342	4,179,417
Capital Assets	49,909,321	49,631,231	(278,090)
<b>Total Assets</b>	<b>\$ 85,251,246</b>	<b>\$ 89,152,573</b>	<b>3,901,327</b>
<b>Deferred Outflows of Resources</b>			
Deferred amount of debt refunding	\$ -	\$ -	0
Pension related	\$ 4,089,176	\$ 2,624,072	(1,465,104)
OPEB related	\$ 4,858,505	\$ 3,822,890	(1,035,615)
<b>Total Assets and Deferred Outflows</b>	<b>\$ 94,198,927</b>	<b>\$ 95,599,535</b>	<b>1,400,608</b>
<b>Liabilities</b>			
Long Term Liabilities	\$ 33,365,064	\$ 29,624,524	(3,740,540)
Other Liabilities (current)	2,413,001	3,311,373	898,372
<b>Total Liabilities</b>	<b>\$ 35,778,065</b>	<b>\$ 32,935,897</b>	<b>(2,842,168)</b>
<b>Deferred Inflows of Resources</b>			
Pension deferrals	\$ 4,718,537	\$ 3,281,224	(1,437,313)
OPEB deferrals	\$ 9,981,747	\$ 7,913,041	(2,068,706)
<b>Total Liabilities and Deferred Inflows</b>	<b>\$ 50,478,349</b>	<b>\$ 44,130,162</b>	<b>(6,348,187)</b>
<b>Net Position</b>			
Investment in capital assets (net of debt)	\$ 35,302,316	\$ 39,763,805	4,461,489
Restricted	1,105,667	834,237	(271,430)
Unrestricted	7,312,595	10,871,331	3,558,736
<b>Total Net Position</b>	<b>\$ 43,720,578</b>	<b>\$ 51,469,373</b>	<b>7,748,795</b>

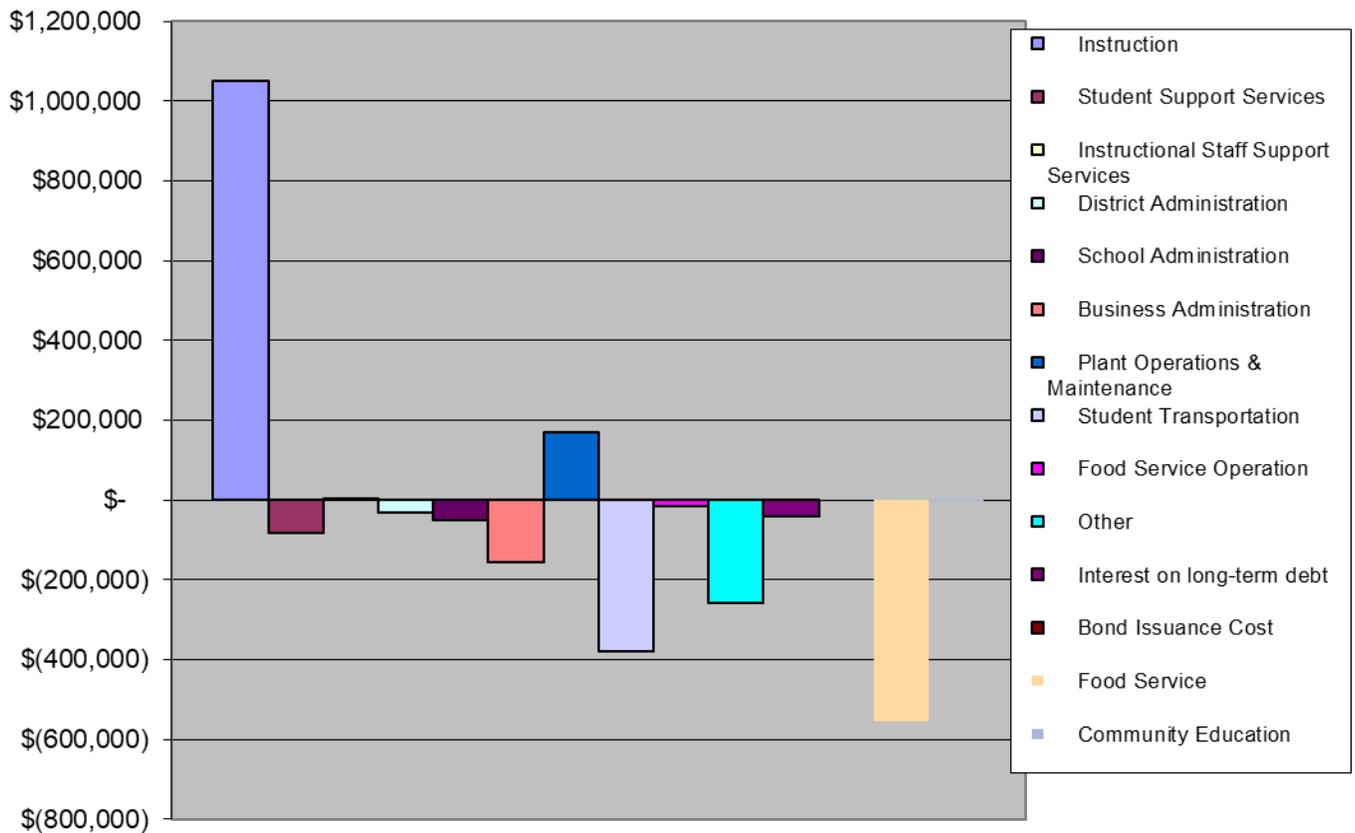
<b>Revenues</b>			
	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>Change</u>
<b>Program Revenues:</b>			
Charges for Services	\$ 257,023	\$ 128,419	\$ (128,604)
Operating Grants and Contributions	11,702,691	9,494,251	(2,208,440)
Capital Grants and Contributions	2,007,516	2,198,111	190,595
<b>General Revenues:</b>			
Property Tax	6,646,368	7,197,263	550,895
Motor Vehicle Tax	1,322,873	1,250,138	(72,735)
Unmined mineral tax	53,093	39,520	(13,573)
Utilities Tax	1,511,655	1,570,275	58,620
Other Tax	96,402	62,676	(33,726)
State Aid	34,246,536	34,072,474	(174,062)
Investment Earnings	1,795,979	1,773,746	(22,233)
Other	1,159,513	1,236,192	76,679
<b>Total Revenues</b>	<b>\$ 60,799,649</b>	<b>\$ 59,023,065</b>	<b>\$ (1,776,584)</b>

### Revenue Variances



<b>Expenses</b>			
<u>Expenses</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>Change</u>
Instruction	\$ 26,512,643	\$ 27,562,162	\$ 1,049,519
Student Support Services	2,637,396	2,554,776	(82,620)
Instructional Staff Support Services	2,015,852	2,020,072	4,220
District Administration	819,478	789,325	(30,153)
School Administration	2,921,830	2,872,268	(49,562)
Business Administration	2,107,923	1,953,194	(154,729)
Plant Operations & Maintenance	4,924,570	5,095,203	170,633
Student Transportation	4,208,097	3,829,716	(378,381)
Food Service Operation	14,580	-	(14,580)
Other	1,084,842	826,091	(258,751)
Interest on long-term debt	424,471	382,502	(41,969)
Bond Issuance Cost	-	-	-
Food Service	3,881,362	3,325,988	(555,374)
Community Education	66,095	62,973	(3,122)
<b>Total Expenses</b>	<b>\$ 51,619,139</b>	<b>\$ 51,274,270</b>	<b>\$ (344,869)</b>

### Expense Variance

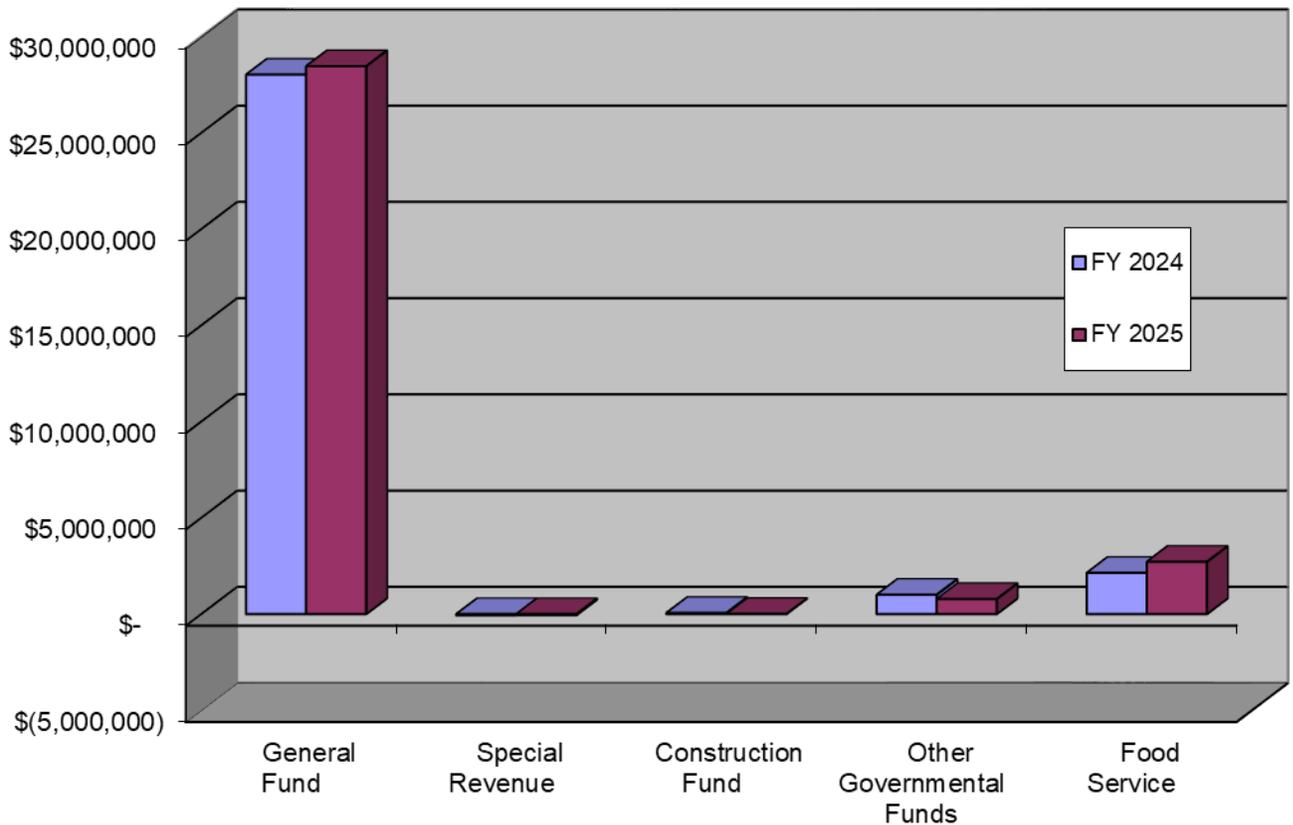


- The District’s total revenues were \$59,023,065 and the total expenses were \$51,274,270. Revenues exceeded expenses by \$7,748,795.
- State revenues accounted for 58% and local taxes accounted for 17% of the total revenue.
- Instruction was the major expense category and accounted for 54% of the total.

### Financial Analysis of the District Funds

<u>Fund</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>Amount Change</u>	<u>Percent Change</u>
General Fund	\$28,028,549	\$28,463,849	\$435,300	2%
Special Revenue	(\$65,284)	(\$61,123)	\$4,161	-6%
Construction Fund	\$63,171	\$8,483	(\$54,688)	-87%
Other Governmental Funds	\$1,005,023	\$783,578	(\$221,445)	-22%
Food Service	\$2,144,677	\$2,716,884	\$572,207	27%

### Changes in End-of-Year Fund Balances



- The General Fund’s fund balance had a positive change of \$435,300.
- The Special Revenue Fund had a positive change of \$4,161.
- The Construction Fund had a negative change of \$54,688.
- The Other Governmental Funds had a negative change of \$221,445.
- The Food Service Fund’s balance showed a positive change of \$572,207.

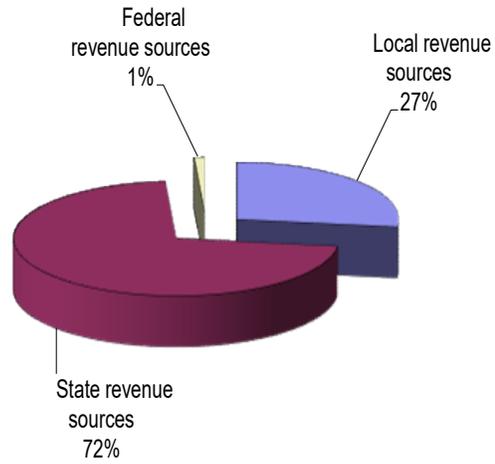
**Comments on General Fund Budget Comparisons**

- The District budgeted for its local revenues (taxes, earned interest, and tuition) in a conservative manner. Local revenues were more than budgeted (\$573,400).
- Expenditures were less than budgeted primarily because of unspent contingency funds.
- General Fund budget compared to actual revenue varied from line item to line item with the ending actual fund balance being \$435,300 more than the prior year.
- The contingency is not meant to be expended, but is to be used as the District’s beginning balance for next year. The ending General Fund balance was \$28,463,849 compared to the contingency budget of \$12,661,678.

The following tables present a summary of revenues and expenditures of the General Fund for the fiscal year ended June 30, 2025.

<u>Revenues</u>	<u>Amount</u>	
Local revenue sources		\$ 11,412,065
Property Tax	6,500,773	
Motor Vehicle Tax	1,250,138	
Utilities Tax	1,570,275	
Unmined Minerals Tax	39,520	
Other Taxes	62,676	
Tuition and fees	12,400	
Investment earnings	1,600,510	
Other Local Revenue	375,773	
State revenue sources		30,214,795
Federal revenue sources		449,320
Total Revenues		\$ 42,076,180

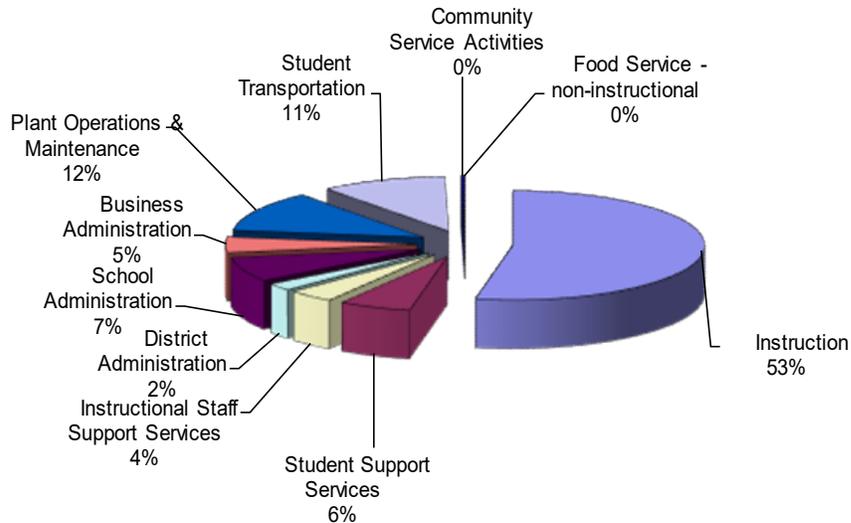
## General Fund Revenue Sources



The majority of revenue was derived from state funding 72%, with local revenue sources making up 27% of total revenue.

<u>Expenditures</u>	<u>FY 2025</u>
Instruction	\$ 20,394,651
Student Support Services	2,336,023
Instructional Staff Support Services	1,477,688
District Administration	824,177
School Administration	2,807,177
Business Administration	1,751,430
Plant Operations & Maintenance	4,613,607
Student Transportation	4,063,915
Community Service Activities	118,442
Food Service - non-instructional	-
Facilities acquisition & construction	-
Unrealized loss on investments	-
<b>Total Expenditures</b>	<b>\$ 38,387,110</b>

# General Fund Expenditures



The majority of expenditures were in the area of Instruction at 53% with Plant Operations & Maintenance at 12% and Student Transportation expenditures being 11%.

## CAPITAL ASSET AND DEBT ADMINISTRATION

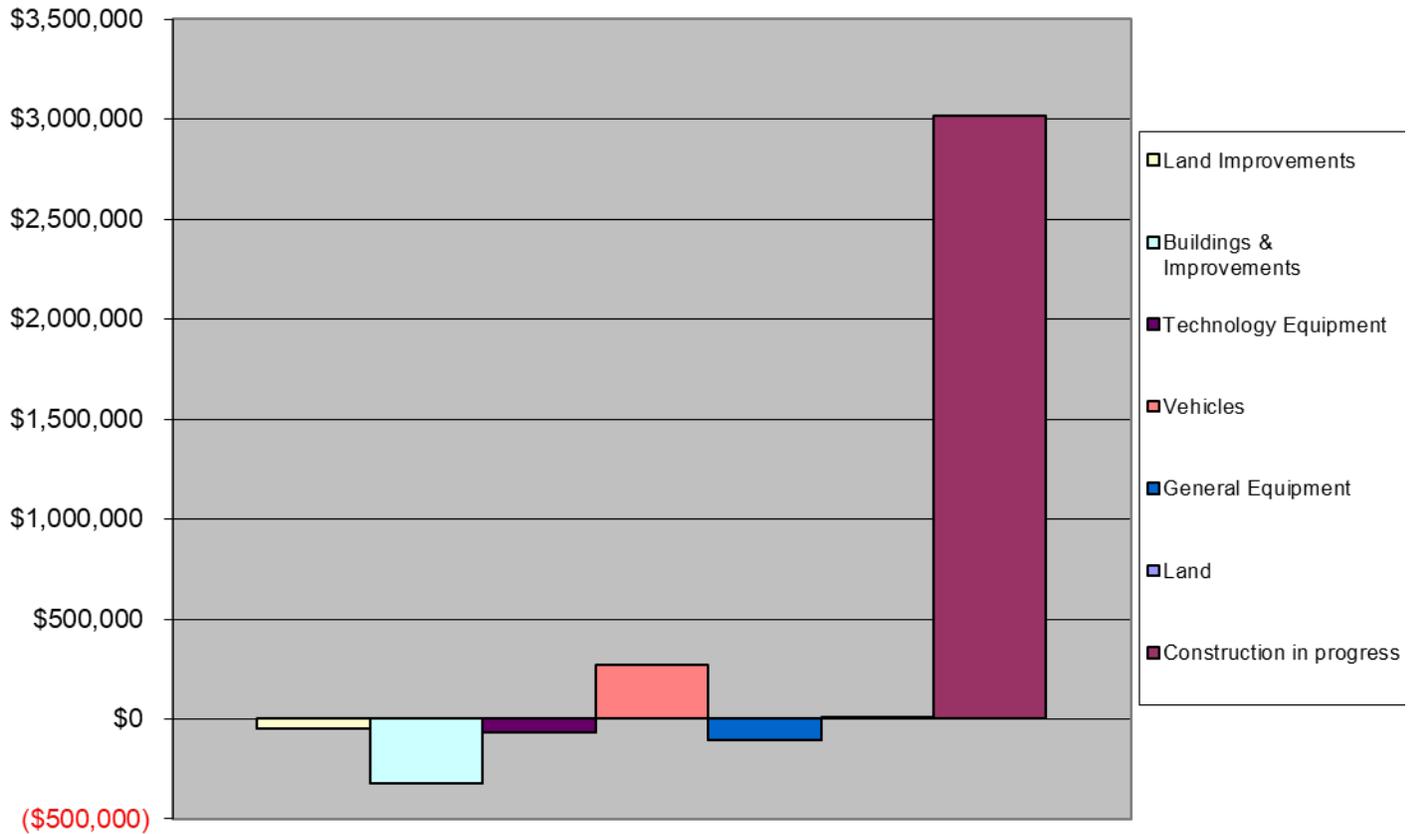
### Capital Assets

By June 30, 2025, the district had invested \$54,467,625 in capital assets, net of accumulated depreciation. This included land, school buildings, athletic facilities, maintenance facilities, computer equipment and administrative offices. The cumulative total of assets was \$108,589,359 with accumulated depreciation of \$54,121,734.

## SUMMARY OF CAPITAL ASSETS

<u>Assets</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>Change</u>
Land	\$806,909	\$807,986	\$1,077
Construction in progress	\$1,012,520	\$4,028,408	\$3,015,888
Land Improvements	\$3,954,265	\$3,903,744	(\$50,521)
Buildings & Improvements	\$41,961,381	\$41,641,832	(\$319,549)
Technology Equipment	\$154,798	\$87,240	(\$67,558)
Vehicles	\$1,690,192	\$1,957,896	\$267,704
General Equipment	\$2,148,685	\$2,040,519	(\$108,166)
<b>Total Assets</b>	<b>\$51,728,750</b>	<b>\$54,467,625</b>	<b>\$2,738,875</b>

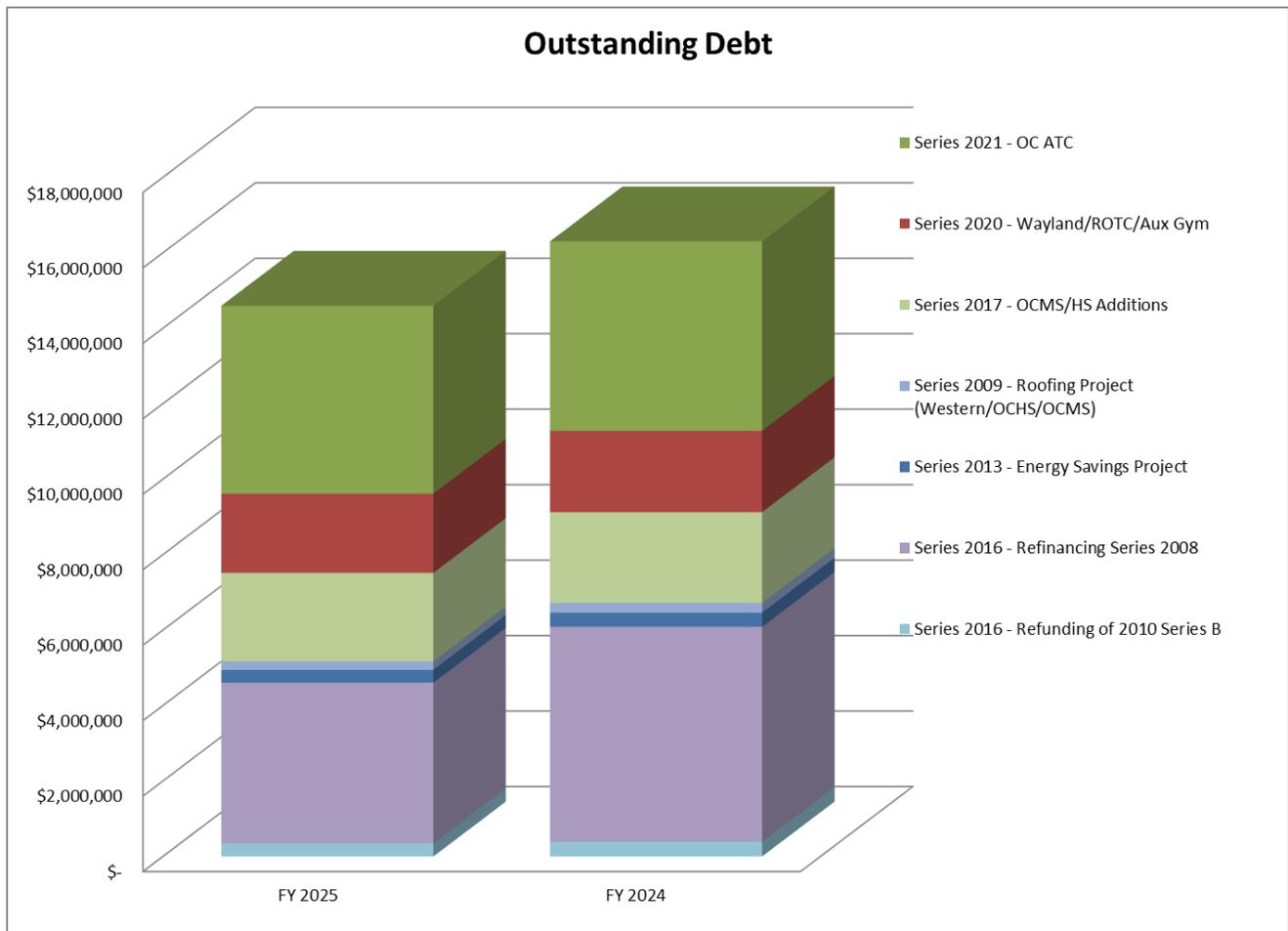
### Changes in Capital Assets



## School Revenue Bonds Payable

At year-end the district had \$14,595,000 in school revenue bonds outstanding. The net decrease of school revenue bonds payable was \$1,706,000.

School Revenue Bonds	FY 2025	FY 2024
Series 2021 - OC ATC Add/Renov	\$ 4,980,000	\$ 5,020,000
Series 2020 - Wayland Preschool & ROTC/Aux Gym	\$ 2,100,000	\$ 2,155,000
Series 2017 - OCMS/HS Additions	\$ 2,340,000	\$ 2,405,000
Series 2016 - Refinancing Series 2008	\$ 4,255,000	\$ 5,695,000
Series 2016 - Refunding of 2010 Series B	\$ 350,000	\$ 391,000
Series 2013 - Energy Savings Project	\$ 340,000	\$ 375,000
Series 2009 - Roofing Project (Western/OCHS/OCMS)	\$ 230,000	\$ 260,000
<b>Total</b>	<b>\$ 14,595,000</b>	<b>\$ 16,301,000</b>



## **BUDGETARY IMPLICATIONS**

It is extremely important that the district continue to budget very conservatively. The District receives approximately 48% of its general fund revenue each year through the state funding formula (SEEK). The SEEK forecasts from the state should be considered only an estimate of state revenue. If the state does not get the revenue from taxing sources, an adjustment will be made to the funding formula. The District should always be prepared for such reductions in funding.

Approximately 15% of the general fund revenue is from local property tax. The major portion of the tax revenue does not come to the district until between the fifth and seventh months of the fiscal year. This means the general fund's beginning fund balance must be used to absorb much of the first four months of expenditures. Provisions must always be made to have a significant beginning fund balance to start each year.

By law the budget must have a minimum 2% contingency. The District adopted a budget with \$12,661,678 in contingency (32%). The beginning fund balance for beginning the fiscal year was \$28,028,549. The ending fund balance is \$28,463,849. The District must continue to find ways to become more efficient with operational departments in an effort to provide the necessary funding to essential programs.

## **DISTRICT CHALLENGES FOR THE FUTURE**

The primary challenges for Ohio County Public Schools are to continue to reach the academic accountability goals established by the Commonwealth of Kentucky, continue to maintain our modern facilities, and preserving the current level of financial stability.

The District's challenge to reach the academic accountability goal established by the Commonwealth of Kentucky will be accomplished by several means. The primary goal is to maintain our competitive salary schedules to help attract and maintain quality leadership, teachers and support staff. The District also needs to continue to maintain our pupil/teacher ratio at levels below the levels recommended by the state. Maintaining several programs will also help the District overcome this challenge. These programs include, but are not limited to, response to intervention (RTI), and advancement in the area of technology.

The second challenge mentioned above is to maintain our modern facilities. The current balance within the committed construction account as of June 30, 2025 is \$16,000,000. This committed account will help the District recover from any unforeseen major facility repairs, help keep the current facilities in excellent condition and construct any required facilities which do not meet the Kentucky Department of Education guidelines or not large enough to require a bond sale.

The third challenge mentioned above is preserving the current level of financial stability. The district receives 48% of the general fund revenues from the State of Kentucky through the SEEK formula. The impact of high inflation and labor shortages hinder financial strength of the school district and our ability to consistently deliver instructional services to our greatest potential. The financial condition of both the federal and state government will always be vital to maintaining our financial stability.

Questions regarding this report should be directed to Mrs. Kathy Meredith, Chief Financial Officer, located at 315 East Union Street, Hartford, KY 42347, by phone at 270.298.3249 or e-mail at [kathy.meredith@ohio.kyschools.us](mailto:kathy.meredith@ohio.kyschools.us).

Ohio County School District  
Statement of Net Position

<i>June 30, 2025</i>	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 27,559,588	\$ 3,627,628	\$ 31,187,216
Investments	1,737,405	-	1,737,405
Accounts receivable:			
Taxes	332,409	-	332,409
Accounts	384,847	-	384,847
Intergovernmental	340,515	154,520	495,035
Inventory	122,733	89,828	212,561
Prepaid expenses	19,260	1,092	20,352
Non-depreciable capital assets	4,836,394	-	4,836,394
Depreciable capital assets	101,722,813	2,030,152	103,752,965
Less: accumulated depreciation	(53,061,664)	(1,060,070)	(54,121,734)
Net OPEB asset	273,590	41,533	315,123
<b>Total assets</b>	<b>84,267,890</b>	<b>4,884,683</b>	<b>89,152,573</b>
<b>Deferred Outflows of Resources</b>			
OPEB related	3,694,532	128,358	3,822,890
Pension related	2,278,168	345,904	2,624,072
<b>Total deferred outflows of resources</b>	<b>5,972,700</b>	<b>474,262</b>	<b>6,446,962</b>
<b>Liabilities</b>			
Accounts payable	979,570	65,967	1,045,537
Accrued liabilities	261,336	-	261,336
Unearned revenue	61,064	-	61,064
Accrued interest	69,687	-	69,687
Long-term obligations:			
Due within one year:			
Outstanding bonds	1,755,000	-	1,755,000
Compensated absences	118,749	-	118,749
Due beyond one year:			
Outstanding bonds	12,948,820	-	12,948,820
Compensated absences	1,097,784	-	1,097,784
Net OPEB liability	4,678,000	-	4,678,000
Net pension liability	9,463,311	1,436,609	10,899,920
<b>Total liabilities</b>	<b>31,433,321</b>	<b>1,502,576</b>	<b>32,935,897</b>

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

Ohio County School District  
Statement of Net Position

<i>June 30, 2025</i>	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources</b>			
OPEB related	7,388,867	524,174	7,913,041
Pension related	2,848,759	432,465	3,281,224
<b>Total deferred inflows of resources</b>	<b>10,237,626</b>	<b>956,639</b>	<b>11,194,265</b>
<b>Net Position</b>			
Net investment in capital assets	38,793,723	970,082	39,763,805
Restricted for:			
Grant programs	(61,123)	-	(61,123)
Capital projects	767,635	-	767,635
Student activities	127,725	-	127,725
Unrestricted (deficit)	8,941,683	1,929,648	10,871,331
<b>Total net position</b>	<b>\$ 48,569,643</b>	<b>\$ 2,899,730</b>	<b>\$ 51,469,373</b>

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

Ohio County School District  
Statement of Activities

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<i>For the year ended June 30, 2025</i>							
<b>Governmental Activities:</b>							
Instruction	\$ 27,562,162	\$ 12,400	\$ 4,370,595	\$ 69,057	\$ (23,110,110)	\$ -	\$ (23,110,110)
Support Services:							
Student	2,554,776	-	83,359	-	(2,471,417)	-	(2,471,417)
Instructional staff	2,020,072	-	301,921	-	(1,718,151)	-	(1,718,151)
District administration	789,325	-	-	-	(789,325)	-	(789,325)
School administration	2,872,268	-	705	-	(2,871,563)	-	(2,871,563)
Business	1,953,194	-	145,911	-	(1,807,283)	-	(1,807,283)
Plant operations and maintenance	5,095,203	-	132,340	-	(4,962,863)	-	(4,962,863)
Student transportation	3,829,716	-	36,295	-	(3,793,421)	-	(3,793,421)
Other	735,637	-	565,248	-	(170,389)	-	(170,389)
Interest on long-term debt	382,502	-	-	2,129,054	1,746,552	-	1,746,552
Loss on disposal of assets	90,454	-	-	-	(90,454)	-	(90,454)
<b>Total governmental activities</b>	<b>47,885,309</b>	<b>12,400</b>	<b>5,636,374</b>	<b>2,198,111</b>	<b>(40,038,424)</b>	<b>-</b>	<b>(40,038,424)</b>
<b>Business-Type Activities:</b>							
Food services	3,325,988	97,204	3,817,848	-	-	589,064	589,064
Other	62,973	18,815	40,029	-	-	(4,129)	(4,129)
<b>Total business-type activities</b>	<b>3,388,961</b>	<b>116,019</b>	<b>3,857,877</b>	<b>-</b>	<b>-</b>	<b>584,935</b>	<b>584,935</b>
<b>Total school district</b>	<b>\$ 51,274,270</b>	<b>\$ 128,419</b>	<b>\$ 9,494,251</b>	<b>\$ 2,198,111</b>	<b>(40,038,424)</b>	<b>584,935</b>	<b>(39,453,489)</b>

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

Ohio County School District  
Statement of Activities

<i>For the year ended June 30, 2025</i>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>General Revenues</b>			
Taxes:			
Property	7,197,263	-	7,197,263
Motor vehicle	1,250,138	-	1,250,138
Utilities	1,570,275	-	1,570,275
Unmined minerals	39,520	-	39,520
Other	62,676	-	62,676
State aid	34,072,474	-	34,072,474
Investment earnings	1,606,543	167,203	1,773,746
Other	1,235,692	500	1,236,192
Transfers	184,560	(184,560)	-
<b>Total general revenues and transfers</b>	<b>47,219,141</b>	<b>(16,857)</b>	<b>47,202,284</b>
Change in net position	7,180,717	568,078	7,748,795
Net position - beginning of year	41,388,926	2,331,652	43,720,578
Net position - end of year	<b>\$ 48,569,643</b>	<b>\$ 2,899,730</b>	<b>\$ 51,469,373</b>

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

Ohio County School District  
Balance Sheet  
Governmental Funds

<i>June 30, 2025</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 25,845,056	\$ 34,957	\$ 898,457	\$ 781,118	\$ 27,559,588
Investments	1,737,405	-	-	-	1,737,405
Accounts receivable:					
Taxes	332,409	-	-	-	332,409
Accounts	382,387	-	-	2,460	384,847
Intergovernmental	-	340,515	-	-	340,515
Due from other funds	375,000	-	-	-	375,000
Inventory	122,733	-	-	-	122,733
Prepaid expenses	19,260	-	-	-	19,260
<b>Total assets</b>	<b>\$ 28,814,250</b>	<b>\$ 375,472</b>	<b>\$ 898,457</b>	<b>\$ 783,578</b>	<b>\$ 30,871,757</b>

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

Ohio County School District  
Balance Sheet  
Governmental Funds

<i>June 30, 2025</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 89,065	\$ 531	\$ 889,974	\$ -	\$ 979,570
Accrued liabilities	261,336	-	-	-	261,336
Due to other funds	-	375,000	-	-	375,000
Unearned revenue	-	61,064	-	-	61,064
<b>Total liabilities</b>	<b>350,401</b>	<b>436,595</b>	<b>889,974</b>	<b>-</b>	<b>1,676,970</b>
<b>Fund Balances</b>					
Nonspendable	131,382	-	-	-	131,382
Restricted	243,497	(61,123)	8,483	643,380	834,237
Committed	16,100,000	-	-	-	16,100,000
Assigned	1,732	-	-	140,198	141,930
Unassigned	11,987,238	-	-	-	11,987,238
<b>Total fund balances</b>	<b>28,463,849</b>	<b>(61,123)</b>	<b>8,483</b>	<b>783,578</b>	<b>29,194,787</b>
<b>Total liabilities and fund balances</b>	<b>\$ 28,814,250</b>	<b>\$ 375,472</b>	<b>\$ 898,457</b>	<b>\$ 783,578</b>	<b>\$ 30,871,757</b>

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

Ohio County School District  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Position

<i>June 30,</i>	2025
Total fund balances – governmental funds	\$ 29,194,787
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$106,559,207 and the accumulated depreciation is \$53,061,664.	53,497,543
Deferred outflows and inflows of resources related to pensions are applicable to future periods, therefore, are not reported in the fund statements.	(570,591)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods, therefore, are not reported in the fund statements.	(3,694,335)
Long-term liabilities, including bonds payable and accrued interest, 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:	
Bonds payable	(14,703,820)
Accrued interest on outstanding bonds	(69,687)
Compensated absences	(1,216,533)
Net OPEB asset	273,590
Net OPEB liability	(4,678,000)
Net pension liability	(9,463,311)
Total net position – governmental activities	\$ 48,569,643

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

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

<i>For the year ended June 30, 2025</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
From local sources:					
Taxes:					
Property	\$ 6,500,773	\$ -	\$ -	\$ 696,490	\$ 7,197,263
Motor vehicle	1,250,138	-	-	-	1,250,138
Utilities	1,570,275	-	-	-	1,570,275
Unmined minerals	39,520	-	-	-	39,520
Other	62,676	-	-	-	62,676
Tuition and fees	12,400	242	-	-	12,642
Earnings on investments	1,600,510	57	-	6,033	1,606,600
Other local revenue	375,773	263,666	-	422,134	1,061,573
Intergovernmental - state	30,214,795	1,952,015	-	2,129,054	34,295,864
Direct federal	449,320	-	-	-	449,320
Intergovernmental - federal	-	3,489,451	-	-	3,489,451
<b>Total revenues</b>	<b>42,076,180</b>	<b>5,705,431</b>	<b>-</b>	<b>3,253,711</b>	<b>51,035,322</b>
<b>Expenditures</b>					
Current:					
Instruction	20,394,651	4,189,054	-	720,001	25,303,706
Support services:					
Student	2,336,023	83,359	-	-	2,419,382
Instructional staff	1,477,688	301,921	-	57,052	1,836,661
District administration	824,177	-	-	-	824,177
School administration	2,807,177	705	-	-	2,807,882
Business	1,751,430	145,911	-	-	1,897,341
Plant operations and maintenance	4,613,607	132,340	-	-	4,745,947
Student transportation	4,063,915	36,295	-	111,721	4,211,931

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

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

<i>For the year ended June 30, 2025</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Other	118,442	565,248	-	-	683,690
Debt service:					
Principal	-	-	-	1,706,000	1,706,000
Interest	-	-	-	407,422	407,422
Food service operations	-	-	-	-	-
Architectural and engineering	-	-	404,841	-	404,841
Land improvements	-	-	1,077	-	1,077
Building acquisition & construction	-	-	2,632,047	-	2,632,047
Building improvements	-	-	1,174,450	-	1,174,450
<b>Total expenditures</b>	<b>38,387,110</b>	<b>5,454,833</b>	<b>4,212,415</b>	<b>3,002,196</b>	<b>51,056,554</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,689,070</b>	<b>250,598</b>	<b>(4,212,415)</b>	<b>251,515</b>	<b>(21,232)</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers-in	1,325,983	69,057	4,161,334	2,236,581	7,792,955
Operating transfers-out	(4,579,753)	(315,494)	(3,607)	(2,709,541)	(7,608,395)
<b>Total other financing sources (uses)</b>	<b>(3,253,770)</b>	<b>(246,437)</b>	<b>4,157,727</b>	<b>(472,960)</b>	<b>184,560</b>
<b>Net change in fund balances</b>	<b>435,300</b>	<b>4,161</b>	<b>(54,688)</b>	<b>(221,445)</b>	<b>163,328</b>
<b>Fund balances - beginning of year</b>	<b>28,028,549</b>	<b>(65,284)</b>	<b>63,171</b>	<b>1,005,023</b>	<b>29,031,459</b>
<b>Fund balances - end of year</b>	<b>\$ 28,463,849</b>	<b>\$ (61,123)</b>	<b>\$ 8,483</b>	<b>\$ 783,578</b>	<b>\$ 29,194,787</b>

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

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

Year Ended June 30,	2025
Total net change in fund balances – governmental funds	\$ 163,328
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays, \$5,069,127, exceeds depreciation, \$2,193,524, in the period.	2,875,603
Gains and losses are not presented in governmental funds because they do not provide or use current financial resources. However, they would be presented on the statement of activities, net of proceeds, which would be included on the fund statements. The difference between proceeds from the sale of assets and the actual gain/loss from the sale net to this amount for the year.	(97,875)
Repayment of bond principal and other debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,706,000
Government funds report District pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.	
District pension contributions	1,170,209
Cost of benefits earned net of employee contributions	(194,014)
Government funds report District OPEB contributions as expenditures. However, in the Statement of Activities the cost of OPEB benefits earned net of employee contributions is reported as pension expense.	
District OPEB contributions	455,006
Cost of benefits earned net of employee contributions	1,176,990
Expenditures reported in the fund financial statements are recognized when the current financial resource is used. However, expenses in the statement of activities are recognized when they are incurred.	(74,530)
Change in net position - governmental activities	\$ 7,180,717

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

Ohio County School District  
Statement of Net Position  
Proprietary Funds

<i>June 30, 2025</i>	<b>Enterprise Fund Food Service</b>	<b>Other Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 3,444,782	\$ 182,846	\$ 3,627,628
Accounts receivable:			
Intergovernmental	154,520	-	154,520
Inventory	89,828	-	89,828
Prepaid expenses	1,092	-	1,092
<b>Total current assets</b>	<b>3,690,222</b>	<b>182,846</b>	<b>3,873,068</b>
<b>Non-Current Assets</b>			
Net OPEB asset	41,533	-	41,533
Fixed assets - net	970,082	-	970,082
<b>Total assets</b>	<b>4,701,837</b>	<b>182,846</b>	<b>4,884,683</b>
<b>Deferred Outflows of Resources</b>			
OPEB related	128,358	-	128,358
Pension related	345,904	-	345,904
<b>Total deferred outflows of resources</b>	<b>474,262</b>	<b>-</b>	<b>474,262</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	65,967	-	65,967
<b>Total current liabilities</b>	<b>65,967</b>	<b>-</b>	<b>65,967</b>
<b>Long-Term Liabilities</b>			
Net pension liability	1,436,609	-	1,436,609
<b>Total long-term liabilities</b>	<b>1,436,609</b>	<b>-</b>	<b>1,436,609</b>
<b>Deferred Inflows of Resources</b>			
OPEB related	524,174	-	524,174
Pension related	432,465	-	432,465
<b>Total deferred inflows of resources</b>	<b>956,639</b>	<b>-</b>	<b>956,639</b>
<b>Net Position</b>			
Net investment in capital assets	970,082	-	970,082
Unrestricted	1,746,802	182,846	1,929,648
<b>Total net position</b>	<b>\$ 2,716,884</b>	<b>\$ 182,846</b>	<b>\$ 2,899,730</b>

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

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

<i>For the year ended June 30, 2025</i>	<b>Enterprise Fund Food Service</b>	<b>Other Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Operating Revenues</b>			
Lunchroom sales	\$ 97,204	\$ -	\$ 97,204
Tuition and fees	-	18,815	18,815
<b>Total operating revenues</b>	<b>97,204</b>	<b>18,815</b>	<b>116,019</b>
<b>Operating Expenses</b>			
Instruction	-	5,846	5,846
Salaries and wages	965,961	-	965,961
Contract services	34,285	-	34,285
Materials and supplies	2,202,517	-	2,202,517
Other operating expenses	25,794	57,127	82,921
Depreciation expense	97,431	-	97,431
<b>Total operating expenses</b>	<b>3,325,988</b>	<b>62,973</b>	<b>3,388,961</b>
<b>Operating (loss) income</b>	<b>(3,228,784)</b>	<b>(44,158)</b>	<b>(3,272,942)</b>
<b>Non-Operating Revenues (Expenses)</b>			
State grants	387,946	40,029	427,975
Federal grants	3,232,322	-	3,232,322
Donated commodities	197,580	-	197,580
Interest revenue	167,203	-	167,203
Other (expense) revenue	500	-	500
<b>Total non-operating revenues - net</b>	<b>3,985,551</b>	<b>40,029</b>	<b>4,025,580</b>
<b>Income before transfers</b>	<b>756,767</b>	<b>(4,129)</b>	<b>752,638</b>
<b>Transfers</b>	<b>(184,560)</b>	<b>-</b>	<b>(184,560)</b>
<b>Change in net position</b>	<b>572,207</b>	<b>(4,129)</b>	<b>568,078</b>
<b>Net position - beginning of year</b>	<b>2,144,677</b>	<b>186,975</b>	<b>2,331,652</b>
<b>Net position - end of year</b>	<b>\$ 2,716,884</b>	<b>\$ 182,846</b>	<b>\$ 2,899,730</b>

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

Ohio County School District  
Statement of Cash Flows  
Proprietary Funds

<i>Year Ended June 30, 2025</i>	<b>Enterprise Fund Food Service</b>	<b>Other Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Operating Activities</b>			
Cash received from user charges	\$ 97,204	\$ 24,764	\$ 121,968
Cash payments to employees for services	(1,106,342)	-	(1,106,342)
Cash payments for contract services	(34,285)	-	(34,285)
Cash payments to suppliers for goods and services	(1,945,474)	-	(1,945,474)
Cash payments for other operating expenses	(25,794)	(23,080)	(48,874)
<b>Net cash (used in) provided by operating activities</b>	<b>(3,014,691)</b>	<b>1,684</b>	<b>(3,013,007)</b>
<b>Non-Capital Financing Activities</b>			
Indirect cost transfer to general fund	(184,560)	-	(184,560)
Non-operating grants received	3,238,768	-	3,238,768
<b>Net cash provided by non-capital financing activities</b>	<b>3,054,208</b>	<b>-</b>	<b>3,054,208</b>
<b>Capital and Related Financing Activities</b>			
Acquisition of capital assets	(58,578)	-	(58,578)
<b>Net cash (used in) capital and related financing activities</b>	<b>(58,578)</b>	<b>-</b>	<b>(58,578)</b>
<b>Investing Activities</b>			
Interest on investments	167,203	-	167,203
<b>Net cash provided by investing activities</b>	<b>167,203</b>	<b>-</b>	<b>167,203</b>
Net (decrease) increase in cash	148,142	1,684	149,826
Cash - beginning of year	3,296,640	181,162	3,477,802
<b>Cash - end of year</b>	<b>\$ 3,444,782</b>	<b>\$ 182,846</b>	<b>\$ 3,627,628</b>

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

Ohio County School District  
Statement of Cash Flows  
Proprietary Funds

<i>Year Ended June 30, 2025</i>	<b>Enterprise Fund Food Service</b>	<b>Other Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Reconciliation of Operating (Loss) Income to Net Cash Used In Operating Activities</b>			
Operating (loss) income	\$ (3,228,784)	\$ (44,158)	\$ (3,272,942)
Adjustments To Reconcile Operating (Loss) Income To Net Cash Used In Operating Activities:			
Depreciation	97,431	-	97,431
Commodities used	197,580	-	197,580
On-behalf payments received	366,064	40,029	406,093
Pension contributions in excess of pension expense	(330,451)	-	(330,451)
OPEB contributions in excess of OPEB expense	(175,994)	-	(175,994)
Changes in assets and liabilities:			
Receivables	-	5,949	5,949
Inventories	3,177	-	3,177
Accounts payable	56,286	(136)	56,150
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (3,014,691)</b>	<b>\$ 1,684</b>	<b>\$ (3,013,007)</b>

**Noncash Activities**

- The food service fund received \$197,580 of donated commodities from the federal government.
- The District received on-behalf payments of \$406,093 relating to insurance benefits in the food service fund and school aged child care fund.
- The District reclassified \$177,707 related to pension expense to deferred outflows of resources.
- The District reclassified \$0 related to OPEB expense to deferred outflows of resources.

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

Ohio County School District  
Statement of Fiduciary Net Position  
Fiduciary Funds

<i>June 30, 2025</i>	<b>Private Purpose Trust Fund</b>	
<hr/>		
<b>Assets</b>		
Cash	\$	45,561
Investments		3,842,458
Accounts receivable		1,796
<hr/>		
Total assets		3,889,815
<hr/>		
<b>Liabilities</b>		
Accounts payable		47,736
<hr/>		
Total liabilities		47,736
<hr/>		
<b>Net Position</b>		
Held in trust for scholarships		3,842,079
<hr/>		
Net position	\$	3,842,079
<hr/> <hr/>		

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

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

<i>For the year ended June 30, 2025</i>	<b>Private Purpose Trust Funds</b>
<hr/>	
<b>Additions</b>	
Earnings on investments	\$ 146,222
Other	82,695
<hr/>	
Total additions	228,917
<hr/>	
<b>Deductions</b>	
Scholarships	95,220
Unrealized losses from investments	104,185
Other	48,434
<hr/>	
Total deductions	247,839
<hr/>	
Change in net position	(18,922)
<hr/>	
Net position - beginning of year	3,861,001
<hr/>	
Net position - end of year	\$ 3,842,079
<hr/> <hr/>	

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

Ohio County School District  
Notes to the Financial Statements

**NOTE 1: DESCRIPTION OF THE ENTITY**

***Reporting Entity***

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

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

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

***Blended Component Unit***

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

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

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

***Basis of Presentation***

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

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

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

**Fund Financial Statements** — Fund financial statements report detailed information about the District's funds, including fiduciary funds. Separate statements for each fund category — governmental, proprietary and fiduciary — are presented. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District has the following funds:

**Governmental Fund Types**

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

Ohio County School District  
Notes to the Financial Statements

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Presentation (Continued)***

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

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

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

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

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

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

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

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Presentation (Continued)***

**Proprietary Fund Types**

*Enterprise Fund*

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

The *School Aged Child Care Fund* is used to account for after school care services offered to the general public.

The *Fordsville Education Program Fund* is used to account for the after school tutoring program.

The *Ohio County Schools Auditorium Fund* is used to account for the funds donated in order to construct a school auditorium once adequate funds are received. The general public will have access to the auditorium. The Board voted to table this project before construction and fundraising began.

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

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

*Custodial Funds*

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

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

***Measurement Focus and Basis of Accounting***

**Government-Wide, Proprietary and Fiduciary Fund Financial Statements** – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Measurement Focus and Basis of Accounting (Continued)***

and fiduciary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

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

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

***Budgetary Information***

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

***Estimates***

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Estimates (Continued)***

Estimates that are particularly susceptible to significant change in the near future are related to investments, compensated absences, depreciation, pension liability, and OPEB liability.

***Investments***

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

***Inventory***

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

***Prepaid Items***

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

***Capital Assets***

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

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

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

Ohio County School District  
Notes to the Financial Statements

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Capital Assets (Continued)***

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

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

***Deferred Outflows of Resources – Debt Related***

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

***Deferred Inflows and Outflows of Resources – Pension Related***

The District’s statement of net position and proprietary funds statements of net position report a separate section for deferred inflows and outflows of resources related to pension which includes only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions, and differences between projected and actual earnings on plan investments. Deferred outflows include resources for the District’s contributions made subsequent to the measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period. Deferred inflows of resources also include changes in the proportion and differences between employee contributions and the proportion share of contributions in the cost-sharing plan. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Deferred Inflows and Outflows of Resources – Pension Related (Continued)***

recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. No deferred inflows of resources affect the governmental funds financial statements in the current year.

***Deferred Inflows and Outflows of Resources – OPEB Related***

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

***Net Pension Liability***

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS)/Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from CERS/KTRS fiduciary net position have been determined on the same basis as they are reported by CERS/KTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The District proportionate share of pension amounts were further allocated to each participating employer based on the contributions paid by each employer. Pension investments are reported at fair value. Note 8 provides further detail on the net pension liability.

***Net Other Post-Employment Benefits (OPEB) Liability***

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Net Other Post-Employment Benefits (OPEB) Liability (Continued)***

employer. OPEB investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Note 9 provides further detail on the net OPEB liability.

***Post-Employment Health Care Benefits***

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

***Unearned Revenue***

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

***Compensated Absences***

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

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

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

***Accrued Liabilities***

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

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Long-Term Obligations (Continued)***

position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

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

***Leases***

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

***Net Position***

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

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

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

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Net Position (Continued)***

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

***Property Taxes***

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

***Revenues – Exchange and Nonexchange Transactions***

Revenues resulting from exchange transactions are where each party receives equal value. On the modified accrual basis of accounting, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Assets from property taxes are normally recognized when an enforceable legal claim arises. However, for the District, an enforceable legal claim arises after the period for which taxes are levied. Property taxes receivable are recognized in the same period that the revenues are recognized. The property taxes are normally levied in September.

On the modified accrual basis of accounting, assets and revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Revenues from nonexchange transactions must also be available before they can be recognized.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Interfund Activity***

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

***Interfund Balances***

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

***Encumbrances***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Note 7 provides further detail on the District's encumbrances.

***Contributions of Capital***

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

***Operating Revenues and Expenses***

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

***Subsequent Events***

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Recent Issued and Adopted Accounting Pronouncements***

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

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

***Recent Accounting Pronouncements***

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

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

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Recent Accounting Pronouncements (Continued)***

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

**NOTE 3: CASH AND INVESTMENTS**

***Deposits***

At June 30, 2025, the carrying amounts of the District's cash in deposits were \$31,232,777 and the bank balances were \$34,525,336, which were covered by federal depository insurance or by collateral held by the bank's agent in the District's name.

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

<i>June 30,</i>	<i>2025</i>
Governmental funds	\$ 27,559,588
Proprietary fund	3,627,628
Fiduciary funds	45,561
	\$ 31,232,777

Ohio County School District  
Notes to the Financial Statements

**NOTE 3: CASH AND INVESTMENTS (Continued)**

***Deposits (Continued)***

*Custodial Credit Risk Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. However, the District is required by state statute that bank deposits must be collateralized. The District’s bank balance of \$34,525,336 was not exposed to custodial credit risk as of June 30, 2025.

***Investments***

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principal. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2025:

General Fund	Fair Value Measurements at Reporting Date Using				
	Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>June 30, 2025</i>					
Money market accounts	\$ 19,839	\$ 19,839	\$ -	\$ -	-
Tax exempt municipal securities	48,064	-	48,064	-	-
Taxable municipal securities	1,626,299	-	1,626,299	-	-
U.S government securities	43,203	-	43,203	-	-
	<b>\$ 1,737,405</b>	<b>\$ 19,839</b>	<b>\$ 1,717,566</b>	<b>\$ -</b>	<b>-</b>

Ohio County School District  
Notes to the Financial Statements

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

*June 30, 2025*

General Fund Investments	Rating	Maturities	Fair Value
Money market accounts	NR	On Demand	\$ 19,839
Warren County KY School District	Aa3	10/1/2033	48,064
U.S. government securities	NR	12/25/2031 - 8/15/2046	43,203
University of KY Genl Rcpts	AA+		-
Taxable municipal securities	A1	6/1/2028 - 5/1/2035	1,351,182
Kentucky Assn Cnty Fin Corp Fing	AA-	2/1/2028 - 8/1/2028	103,919
Kentucky Rural WTR Fin Cop Pub	AA-	2/1/2034	166,198
Kentucky HSG Corp	AAA	7/1/2025	5,000
			\$ 1,737,405

Private Purpose Trust Funds		Fair Value Measurements at Reporting Date Using			
Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<i>June 30, 2025</i>					
Money market accounts	\$ 161,076	\$ 161,076	\$ -	\$ -	-
Tax exempt municipal securities	1,209,782	-	1,209,782	-	-
Taxable municipal securities	1,853,205	-	1,853,205	-	-
U.S government securities	616,380	-	616,380	-	-
Stocks	2,015	2,015	-	-	-
	\$ 3,842,458	\$ 163,091	\$ 3,679,367	\$ -	-

*June 30, 2025*

Private Purpose Trust Funds Investments	Rating	Maturities	Fair Value
Money Market	NR	On Demand	\$ 161,076
U.S Securities	NR	6/15/2029-3/20/2050	735,437
Fedl Natl Mgt Assn	Aaa	5/25/2033-11/25/2046	499,248
Tax Exempt Municipal	A1	9/1/2028-8/1/2047	744,445
Tax Exempt Municipal	AA-	2/1/2029-2/1/2040	40,002
Kentucky Rural Wtr Fin Corp Pub Pj Rev	AA-	2/1/2034	124,649
Tax Exempt Municipal	AA	12/1/2040	22,022
Tax Exempt Municipal Bonds	Aa3	3/1/2031 - 8/1/2047	349,214
Tax Exempt Municipal Bonds	Aa2	4/1/2044	54,099
Taxable Municipal Bonds	Ba1	5/1/2036	21,385
Taxable Municipal Bonds	A1	12/1/2030 - 2/1/2036	147,701
Taxable Municipal Bonds	AA-	2/1/2038 - 2/1/2034	336,914
Taxable Municipal Bonds	AA	5/1/2027-5/1/2035	29,123
Taxable Municipal Bonds	Aa3	6/1/2028 - 12/1/2035	575,128
Fith Third Bankcorp (Common Stock)	NR	n/a	2,015
			\$ 3,842,458

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

*Interest Rate Risk*

The District and trust agreements do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk*

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

Under trust agreements, the District is authorized to invest in income producing assets which are insured by either the federal or any state government, or instrumentalities thereof, or in items known as "investment grade securities." Prior to the death of the settler, the assets are required to be such items that will produce income free and clear of federal and Kentucky income taxes. After the death of the settler, the investments are limited only to prevailing state statutes.

*Concentration of Credit Risk*

The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District's General Fund investments are in taxable municipal securities, Kentucky Assn Cnty Fin Corp Fing, and Kentucky Rural WTR Fin Corp Pub. These investments are 77.77%, 5.98%, and 9.57% respectively, of the District's total General Fund investments. The trust agreements place no limit on the amount the District may invest in any one issuer. More than five percent of the District's Private Purpose Trust fund investments are in tax exempt municipal bonds, taxable municipal bonds, Fedl Natl Mgt Assn, and U.S. government securities. These investments are 28.46%, 23.74%, 12.99%, and 19.14% respectively, of the District's total Private Purpose Trust fund investments.

*Risks and Uncertainties*

The District and the private purpose trust funds hold investment securities. Investment securities are exposed to various risks, such as interest rate, credit and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the account balances and the amounts reported in the financial statements.

Ohio County School District  
Notes to the Financial Statements

**NOTE 4: INTERFUND RECEIVABLES AND PAYABLES**

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

<i>June 30, 2025</i>		
Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	\$ 375,000

The amount represents interfund loans between the general fund and special revenue fund that are necessary to fulfill the current cash requirements of the special revenue fund.

**NOTE 5: CAPITAL ASSETS**

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

<i>June 30, 2025</i>	Capital Cost			
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
<b>Governmental Activities:</b>				
Capital assets that are not depreciated:				
Land	\$ 806,909	\$ 1,077	\$ -	\$ 807,986
Construction in progress	1,012,520	4,212,415	1,196,527	4,028,408
Total non-depreciable historical cost	1,819,429	4,213,492	1,196,527	4,836,394
Capital assets that are depreciated:				
Land improvements	5,671,160	-	1,469	5,669,691
Buildings and improvements	83,539,523	1,195,449	270,548	84,464,424
Technology equipment	1,438,101	-	226,103	1,211,998
Vehicles	6,391,499	763,416	259,723	6,895,192
General	3,443,323	93,297	55,112	3,481,508
Total depreciable historical cost	100,483,606	2,052,162	812,955	101,722,813
Less accumulated depreciation for:				
Land improvements	1,716,895	50,522	1,470	1,765,947
Buildings and improvements	41,578,142	1,429,088	184,638	42,822,592
Technology equipment	1,283,303	59,856	218,401	1,124,758
Vehicles	4,701,307	495,712	259,723	4,937,296
General	2,303,573	158,346	50,848	2,411,071
Total accumulated depreciation	51,583,220	2,193,524	715,080	53,061,664
Total depreciable historical cost, net	48,900,386	(141,362)	97,875	48,661,149
Governmental activities, capital assets, net	\$ 50,719,815	\$ 4,072,130	\$ 1,294,402	\$ 53,497,543

Ohio County School District  
Notes to the Financial Statements

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

<i>June 30, 2025</i>	Capital Cost			
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
<b>Business-Type Activities:</b>				
Technology equipment	\$ 2,695	\$ -	\$ 498	\$ 2,197
General	1,982,247	58,578	12,870	2,027,955
Total depreciable historical cost	1,984,942	58,578	13,368	2,030,152
Less accumulated depreciation for:				
Technology equipment	2,695	-	498	2,197
General	973,312	97,431	12,870	1,057,873
Total accumulated depreciation	976,007	97,431	13,368	1,060,070
Total depreciable historical cost, net	1,008,935	(38,853)	-	970,082
Business-type activities, capital assets, net	\$ 1,008,935	\$ (38,853)	\$ -	\$ 970,082

Depreciation expense was charged to governmental functions as follows:

<i>Year ended June 30,</i>	<i>2025</i>
Instruction	\$ 1,537,307
Support services:	
Facilities operations	160,505
Student transportation	495,712
Total depreciation expense	\$ 2,193,524

Ohio County School District  
Notes to the Financial Statements

**NOTE 6: LONG-TERM OBLIGATIONS**

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

2009	\$ 565,000	3.875%
2013	750,000	2.76%
2016	9,045,000	1.000% - 3.000%
2016(B)	717,000	1.400% - 3.000%
2017	2,820,000	2.000% - 3.550%
2020	2,335,000	1.000% - 1.700%
2021	5,135,000	1.000% - 2.000%

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 Ohio County School District Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

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

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

Ohio County School District  
Notes to the Financial Statements

**NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)**

Year	Ohio County School District		School Facility Construction Commission		Total Debt Service
	Principal	Interest	Principal	Interest	
2025-2026	\$ 1,472,471	\$ 300,905	\$ 282,529	\$ 57,356	\$ 2,113,261
2026-2027	1,519,719	257,646	290,281	49,602	2,117,248
2027-2028	1,561,646	211,123	298,354	39,370	2,110,493
2028-2029	551,745	168,689	158,255	33,221	911,910
2029-2030	565,744	156,631	149,256	29,117	900,748
2030-2031	576,803	144,351	143,197	25,547	889,898
2031-2032	590,095	131,731	114,905	22,462	859,193
2032-2033	602,174	118,173	117,826	19,542	857,715
2033-2034	569,159	104,384	120,841	16,527	810,911
2034-2035	581,012	91,480	123,988	13,382	809,862
2035-2036	597,489	77,681	127,511	9,856	812,537
2036-2037	608,830	63,468	131,170	6,197	809,665
2037-2038	621,730	48,856	43,270	2,409	716,265
2038-2039	636,076	36,935	43,924	1,755	718,690
2039-2040	650,384	24,621	44,616	1,063	720,684
2040-2041	658,785	11,982	41,215	350	712,332
	\$ 12,363,862	\$ 1,948,656	\$ 2,231,138	\$ 327,756	\$ 16,871,412

Ohio County School District  
Notes to the Financial Statements

**NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)**

Changes in long-term obligations are as follows:

<i>June 30, 2025</i>	<b>July 1, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2025</b>	<b>Year</b>
<b>Governmental Activities:</b>					
Bonds and notes payable:					
Bonds	\$ 16,301,000	\$ -	\$ (1,706,000)	\$ 14,595,000	\$ 1,755,000
Add: deferred issuance discounts and premiums - net	125,434	-	(16,614)	108,820	-
<b>Total bonds and notes payable</b>	<b>16,426,434</b>	<b>-</b>	<b>(1,722,614)</b>	<b>14,703,820</b>	<b>1,755,000</b>
Other liabilities:					
Compensated absences	1,117,083	206,057	(106,607)	1,216,533	118,749
<b>Total other liabilities</b>	<b>1,117,083</b>	<b>206,057</b>	<b>(106,607)</b>	<b>1,216,533</b>	<b>118,749</b>
<b>Total long-term liabilities</b>	<b>\$ 17,543,517</b>	<b>\$ 206,057</b>	<b>\$ (1,829,221)</b>	<b>\$ 15,920,353</b>	<b>\$ 1,873,749</b>

**NOTE 7: FUND BALANCES**

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

*Nonspendable fund balances* are amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. At June 30, 2025, the District had \$131,382 as nonspendable in the general fund related to inventory and prepaid expenses.

*Restricted fund balances* arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2025, the District had \$243,497 restricted in the general fund for the Tech Center, \$8,483 restricted in the construction fund for construction projects, \$515,655 restricted for capital projects and prior year SFCC offers in the FSPK fund, \$127,725 restricted for student activities in the special revenue student activity fund and (\$61,123) restricted in the special revenue fund for grant programs.

Ohio County School District  
Notes to the Financial Statements

**NOTE 7: FUND BALANCES (CONTINUED)**

*Committed fund balances* are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The District had the following commitments in the general fund at June 30, 2025: \$100,000 for sick leave and \$16,000,000 for future construction.

*Assigned fund balances* are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The District has assigned \$160,676 for site-base carryforward and \$(158,944) for encumbrances in the general fund and the special revenue district activity fund had assigned \$140,198 for operating costs of the District's schools at June 30, 2025. Assigned fund balances also include (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose.

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

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

**NOTE 8: PENSION PLANS**

**Pensions**

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

**NOTE 8: PENSION PLANS (CONTINUED)**

**General Information About the KTRS Pension Plan**

**Plan Description**

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

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

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

**Benefits Provided**

KTRS provides retirement benefits to plan members. Plan members are divided into the following four categories based on entry date:

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

Members become vested when they complete 5 years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

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

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

**NOTE 8: PENSION PLANS (CONTINUED)**

**Benefits Provided (Continued)**

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

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

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

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

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

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

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

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

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

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

**NOTE 8: PENSION PLANS (CONTINUED)**

**Benefits Provided (Continued)**

The multiplier for members is shown in the following table:

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

**Supplemental Benefit:** The annual supplemental benefit is equal to the account balance that includes member and employer contributions and interest credited annually on June 30. Options include annuitizing the balance or receiving the balance or a portion thereof as a lump sum either at the time of retirement or at a later date.

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

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

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

**Contributions**

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

Ohio County School District  
Notes to the Financial Statements

**NOTE 8: PENSION PLANS (CONTINUED)**

**Contributions (Continued)**

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

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

**Pension Liabilities and Pension Expense**

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

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the District	<u>67,340,099</u>
Total	<u>\$ 67,340,099</u>

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

For the year ended June 30, 2025, the District recognized pension expense of \$8,234,561 and revenue of \$8,234,561 for support provided by the State in the government wide financial statements and pension expense of \$3,857,679 and revenue of \$3,857,679 for support provided by the State in the fund statements.

Ohio County School District  
Notes to the Financial Statements

**NOTE 8: PENSION PLANS (CONTINUED)**

**Actuarial Assumptions**

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

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

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

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

**NOTE 8: PENSION PLANS (CONTINUED)**

**Actuarial Assumptions (Continued)**

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

**Discount Rate**

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

**General Information About the CERS Pension Plan**

**Plan Description**

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

**NOTE 8: PENSION PLANS (CONTINUED)**

**Plan Description (*Continued*)**

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

**Benefits Provided**

Retirement benefits may be extended to beneficiaries of members under certain circumstances. Prior to July 1, 2009, Cost of Living Adjustments (COLAs) were provided to retirees annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were to be limited to 1.5%. In 2013, the General Assembly created a new law to govern how COLAs will be granted. Language included stated COLAs will only be granted in the future if the CERS Board determines that assets of the System are greater than 100% of the actuarial liabilities and legislation authorizes the use of surplus funds for the COLA; or the General Assembly fully prefunds the COLA through employer contributions. No COLA has been granted since July 1, 2011.

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

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

*Tier 3* - Tier 3 plan members who began participating on or after January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members contribute 5% of their monthly creditable compensation which is deposited into their account, and an additional 1% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the

**NOTE 8: PENSION PLANS (CONTINUED)**

**Benefits Provided (*Continued*)**

Insurance Fund (see 105 KAR 1:420), which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4% in the member's monthly creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation. If a vested (60 months of service) member terminates employment and applies to take a refund, the member is entitled to the members contributions (less HIC) plus employer pay credit plus interest (for both employee contributions and employer pay). If a non-vested (less than 60 months) member terminates employment and applies to take a refund, the member is entitled to receive employee contributions (less HIC) plus interest (on employee contributions only).

**Contributions**

Participating employers are required to contribute actuarially determined rates for pension and insurance benefit contributions. The rates are established by the CERS Board based on KRS 78.635. The rates are set each year following the annual actuarial valuation as of July 1 and prior to July of the succeeding fiscal year and are a percentage of each employee's creditable compensation. State statute requires active members to contribute 5% of creditable compensation for nonhazardous members. For members participating on or after September 1, 2008, an additional 1% of creditable compensation is required. This amount is credited to the Insurance Fund and is non-refundable to the member. Employers contribute at the rate determined by the Board to be necessary for the actuarial soundness of the systems, as required by KRS 78.635. The actuarially determined rate set by the Board for the fiscal year ended June 30, 2025 was 19.71%.

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

At June 30, 2025, the District reported a liability of \$10,899,920 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on the District's share of 2024 contributions to the pension plan relative to the 2024 contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was .182260%.

For the year ended June 30, 2025, the District recognized pension expense of (\$23,545). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

Ohio County School District  
Notes to the Financial Statements

**NOTE 8: PENSION PLANS (CONTINUED)**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 527,576	\$ -
Net difference between projected and actual investment earnings on pension plan investments	748,580	1,449,386
Change of assumptions	-	492,462
Changes in proportion and differences between employer contributions and proportionate share of contribution	-	1,339,376
District contributions subsequent to the measurement date	1,347,916	-
Total	\$ 2,624,072	\$ 3,281,224

\$1,347,916 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ended June 30,</i>	
2025	\$ (1,630,259)
2026	50,771
2027	(269,398)
2028	(156,182)
2029	-

**NOTE 8: PENSION PLANS (CONTINUED)**

**Actuarial Assumptions**

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

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

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

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

**Long-Term Expected Rate of Return**

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

**NOTE 8: PENSION PLANS (CONTINUED)**

**Long-Term Expected Rate of Return (*Continued*)**

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 Fixed Income	10.00%	2.85%
Specialty Credit	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 Real Return</b>	<b>100.0%</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 projection of cash flows used to determine the discount rate of 6.50% for CERS Nonhazardous assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute, as amended by House Bill 362, (passed in 2018) over the remaining 28 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the Annual Comprehensive Financial Report (ACFR).

**NOTE 8: PENSION PLANS (CONTINUED)**

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

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

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
District's proportionate share of the net pension liability	\$ 14,051,778	\$ 10,899,920	\$ 8,284,709

***Deferred Compensation Plans***

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

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

**General Information about the KTRS OPEB Plan**

**Plan Description**

The Teachers’ Retirement System of the State of Kentucky (TRS) is 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, including health and life insurance benefits for specified employees in the state. TRS was created by the 1938 General Assembly and is governed by KRS Chapter 161 Sections 220 through 990. TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth’s financial statements. TRS issues a publicly available financial report that can be obtained on the TRS website.

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

**Plan Description (*Continued*)**

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

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

***Health Insurance Trust***

**Plan Description**

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

**Benefits Provided**

For employees hired prior to July 1, 2008, Retiree Medical Plan coverage eligibility is attained when an employee retires, as described in TRS 1 – TRS 4 Members. All other employees must be eligible to retire and additionally have completed a minimum of 15 years of service to be eligible for Retiree Medical Plan coverage. To be eligible for medical benefits, the member must have retired either for service or disability and a required amount of service credit. Members and dependents under age 65 and eligible for Medicare due to a disability after January 1, 2013 are only eligible to enroll in the MEHP. Under age 65 who retired prior to January 1, 2013 are grandfathered from this requirement and allowed a choice of KEHP or MEHP coverage.

**Contributions**

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

Ohio County School District  
Notes to the Financial Statements

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

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

At June 30, 2025, the District reported a liability of \$4,678,000 for its proportionate share of collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.209860%.

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

District's proportionate share of the net OPEB liability	\$ 4,678,000
State's proportionate share of the net OPEB liability associated with the District	4,167,000
<u>Total</u>	<u>\$ 8,845,000</u>

For the year ended June 30, 2025, the District recognized total OPEB expense of (\$312,000), which included \$(205,000) related to changes in proportion and differences between employer contributions and proportionate share of contributions.

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

Ohio County School District  
Notes to the Financial Statements

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,405,000
Changes of assumptions	1,191,000	-
Net difference between projected and actual earnings on OPEB plan investments	-	150,000
Changes in proportion and differences between District contributions and proportionate share of contributions	1,203,000	2,381,000
District contributions subsequent to measurement date	455,006	-
Total	\$ 2,849,006	\$ 3,936,000

Of the total amount reported as deferred outflows of resources related to OPEB, \$455,006 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30,</u>	
2026	\$ (510,000)
2027	(187,000)
2028	(233,000)
2029	(318,000)
2030	(266,000)
Thereafter	(28,000)

Ohio County School District  
Notes to the Financial Statements

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

**Actuarial Assumptions**

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

Valuation Date	June 30, 2023
Investment Rate of Return	7.10%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	3.00% - 7.50%, including wage inflation
Inflation Rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.94%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation
Healthcare Cost Trends:	
Medical trend	6.5% for FYE 2024 decreasing to an ultimate rate of 4.50% by FYE 2031
Medicare Part B Premiums	5.92% for FYE 2024 with an ultimate rate of 4.50% by 2035

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 2023 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation. The healthcare cost trend rate assumption was updated for the June 30, 2023 valuation and was shown as an assumption change in the Total OPEB Liability (TOL) roll forward while the change in initial per capita claims costs was included with experience in the TOL roll forward.

Ohio County School District  
Notes to the Financial Statements

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

The long-term expected rate of return on Health Trust and Life Trust investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 are summarized in the following table:

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

**Discount Rate**

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

Ohio County School District  
Notes to the Financial Statements

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

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

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

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
District's proportionate share of the collective net OPEB liability	\$ 6,214,000	\$ 4,678,000	\$ 3,404,000

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

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

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
District's proportionate share of the collective net OPEB liability	\$ 3,160,000	\$ 4,678,000	\$ 6,564,000

***Life Insurance Trust***

**Plan Description**

TRS administers the Life Insurance Trust as provided by KRS 161.655 to provide life insurance benefits to retired and active members. The TRS Life Insurance Trust 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.

Ohio County School District  
Notes to the Financial Statements

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

**Benefits Provided**

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

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

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

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

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

**Actuarial Assumptions**

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

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

Ohio County School District  
Notes to the Financial Statements

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

**Actuarial Assumptions (*Continued*)**

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

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Real Rate of Return</b>
U.S. Equity	40.0%	5.2%
Developed International Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	21.0%	1.9%
Other Additional Categories	5.0%	4.0%
Real Estate	7.0%	3.2%
Private Equity	5.0%	8.0%
Cash	2.0%	1.6%
<b>Total</b>	<b>100.00%</b>	

**Discount Rate**

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

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

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

**Plan Description**

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

**Benefits Provided**

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

**Contributions**

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

**Implicit Subsidy**

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

Ohio County School District  
Notes to the Financial Statements

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

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

At June 30, 2025, the District reported a asset of \$(315,123) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net OPEB liability was based on the District's share of 2024 contributions to the OPEB plan relative to the 2024 contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.182173%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(906,190).

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 174,827	\$ 2,479,398
Net difference between projected and actual investment earnings on OPEB plan investments	277,001	564,570
Change of assumptions	285,540	222,353
Changes in proportion and differences between employer contributions and proportionate share of contribution	236,515	710,720
District contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 973,883</b>	<b>\$ 3,977,041</b>

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

Ohio County School District  
Notes to the Financial Statements

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

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

<i>Year ended June 30,</i>	
2025	\$ (1,149,049)
2026	(912,055)
2027	(893,075)
2028	(48,979)
2029	-
Thereafter	-

**Actuarial Assumptions**

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

Ohio County School District  
Notes to the Financial Statements

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

**Actuarial Assumptions (continued)**

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

**Long-Term Expected Rate of Return**

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

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

**Long-Term Expected Rate of Return (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b>Equity</b>		
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
<b>Fixed Income</b>		
Core Fixed Income	10.00%	2.85%
Specialty Credit	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 Real Return</b>	<b>100.00%</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 of 5.99% for the CERS non-hazardous insurance plan was used to measure the total OPEB liability as of June 30, 2024. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected separately and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

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

Ohio County School District  
Notes to the Financial Statements

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

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

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

	<b>1% Decrease (4.99%)</b>	<b>Current Discount Rate (5.99%)</b>	<b>1% Increase (6.99%)</b>
District's proportionate share of the collective net OPEB liability	\$ 426,082	\$ (315,123)	\$ (938,330)

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

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

	<b>1% Decrease</b>	<b>Current Healthcare Rate</b>	<b>1% Increase</b>
District's proportionate share of the collective net OPEB liability	\$ (758,148)	\$ (315,123)	\$ 200,970

**NOTE 10: CONTINGENCIES**

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

Ohio County School District  
Notes to the Financial Statements

**NOTE 11: RISK MANAGEMENT**

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

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

**NOTE 12: LITIGATION**

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

**NOTE 13: EXCESS EXPENDITURES OVER APPROPRIATIONS**

The District has one fund with a deficit net position, Special Revenue Fund (\$61,123) Also, the following funds had excess current year expenditures over current year appropriated revenues:

<i>Year ended June 30, 2025</i>	
<b>Fund</b>	<b>Amount</b>
Construction Fund	\$ 54,688
FSPK	196,690
District Activity Fund	26,941
Child Care Fund	6,027

Ohio County School District  
Notes to the Financial Statements

**NOTE 14: FUND TRANSFERS**

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

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Special Revenue	Matching	\$ 69,057
Operating	FSPK	Debt Service	Debt Service	1,677,288
Operating	General	Debt Service	Debt Service	96,249
Operating	General	District Activity Fund	Expenditures	463,044
Operating	SEEK	General	Expenditures	352,326
Operating	Special Revenue	General	Indirect Costs	109,170
Operating	Food Service	General	Indirect Costs	184,560
Operating	School Activity Fund	General	Expenditures	27,192
Operating	Special Revenue	Construction	Expenditures	206,325
Operating	General	Construction	Construction	3,951,403
Operating	FSPK	General	Expenditures	652,735
Operating	Construction	Construction	Construction	3,607

**NOTE 15: ON-BEHALF PAYMENTS**

The District receives on-behalf payments from the State of Kentucky for items including pension, technology, health care costs, operating costs and debt service. The amount received for the fiscal year ended June 30, 2025, was \$10,524,072. These payments were recorded in the funds as follows:

*Year Ended June 30, 2025*

Fund	Amount
General Fund	\$ 9,778,094
Food Service Fund	366,064
School Aged Child Care Fund	40,029
Debt Service Fund	339,885
<b>Total</b>	<b>\$ 10,524,072</b>

*Year Ended June 30, 2025*

	Amount
Technology	\$ 69,978
Health Insurance less Federal reimbursements	4,922,915
Life Insurance	6,998
Administrative Fees	55,997
HRA/Dental/Vision Insurance	351,575
SFCC Debt Service	339,885
KTRS	4,776,724
<b>Total</b>	<b>\$ 10,524,072</b>

Ohio County School District  
Budgetary Comparison Schedule for the General Fund

<i>Year Ended June 30, 2025</i>	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
<b>Revenues</b>				
Local and intermediate sources	\$ 9,753,591	\$ 10,838,665	\$ 11,412,065	\$ 573,400
State programs	30,524,370	29,935,331	30,214,795	279,464
Federal programs	340,000	370,000	449,320	79,320
<hr/>				
Total revenues	40,617,961	41,143,996	42,076,180	932,184
<hr/>				
<b>Expenditures</b>				
Current:				
Instruction	20,571,211	21,130,098	20,394,651	735,447
Support services:				
Student	2,165,982	2,407,063	2,336,023	71,040
Instructional staff	1,543,148	1,581,557	1,477,688	103,869
District administration	762,976	794,097	824,177	(30,080)
School administration	2,859,936	2,968,481	2,807,177	161,304
Business	1,559,910	1,749,379	1,751,430	(2,051)
Plant operations and maintenance	5,892,559	5,004,528	4,613,607	390,921
Student transportation	3,648,127	4,472,990	4,063,915	409,075
Other	116,000	132,026	118,442	13,584
Food service operation	2,000	2,000	-	2,000
Day Care Operations	20,000	25,000	-	25,000
Building acquisition and construction	2,000	2,000	-	2,000
Contingency	12,607,291	12,661,678	-	12,661,678
<hr/>				
Total expenditures	51,751,140	52,930,897	38,387,110	14,543,787
<hr/>				
Excess (deficiency) of revenues over expenditures	(11,133,179)	(11,786,901)	3,689,070	15,475,971

Ohio County School District  
Budgetary Comparison Schedule for the General Fund

<i>Year Ended June 30, 2025</i>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers - net	33,210	493,076	(3,253,770)	3,746,846
Sale of Assets	2,000	2,000	-	2,000
<b>Total other financing sources (uses)</b>	<b>35,210</b>	<b>495,076</b>	<b>(3,253,770)</b>	<b>3,748,846</b>
Net change in fund balance	(11,097,969)	(11,291,825)	435,300	11,727,125
Fund balance - beginning of year	11,097,969	11,291,825	28,028,549	16,736,724
Fund balance - end of year	\$ -	\$ -	\$ 28,463,849	\$ 28,463,849

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

<i>Year Ended June 30, 2025</i>	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
<b>Revenues</b>				
Local and intermediate sources	\$ 418,571	\$ 251,344	\$ 263,965	\$ 12,621
State programs	1,696,664	1,948,593	1,952,015	3,422
Federal programs	2,826,231	3,010,138	3,489,451	479,313
<hr/>				
Total revenues	4,941,466	5,210,075	5,705,431	495,356
<hr/>				
<b>Expenditures</b>				
Current:				
Instruction	3,703,899	3,918,148	4,189,054	(270,906)
Support services:				
Student	13,191	76,779	83,359	(6,580)
Instructional staff	396,389	312,718	301,921	10,797
School administration	2,069	652	705	(53)
Business	211,687	150,042	145,911	4,131
Plant operations and maintenance	55,250	135,225	132,340	2,885
Student transportation	35,972	29,056	36,295	(7,239)
Other	507,898	559,595	565,248	(5,653)
<hr/>				
Total expenditures	4,926,355	5,182,215	5,454,833	(272,618)
<hr/>				
Excess (deficiency) of revenues over expenditures	15,111	27,860	250,598	222,738

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

<i>Year Ended June 30, 2025</i>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers- net	(15,111)	(27,860)	(246,437)	(218,577)
<b>Total other financing sources (uses)</b>	<b>(15,111)</b>	<b>(27,860)</b>	<b>(246,437)</b>	<b>(218,577)</b>
Net change in fund balance	-	-	4,161	4,161
Fund balance - beginning of year	-	-	(65,284)	(65,284)
Fund balance - end of year	\$ -	\$ -	\$ (61,123)	\$ (61,123)

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

Schedule of the District's Proportionate Share of the Net Pension Liability-KTRS										
<i>As of June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	\$ 67,340,099	\$ 67,340,099	\$ 73,285,670	\$ 59,060,570	\$ 69,655,781	\$ 66,419,319	\$ 64,714,029	\$ 137,855,110	\$ 150,116,314	\$ 115,522,115
District's covered payroll	\$ 17,460,199	\$ 15,907,593	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000	\$ 16,729,000	\$ 16,113,000	\$ 15,827,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	60.36%	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%

Schedule of District's Contributions-KTRS										
<i>For the Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 18,219,950	\$ 17,460,199	\$ 15,907,593	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000	\$ 16,729,000	\$ 16,113,000
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**Changes of Benefit Terms**

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

**Changes of Assumptions**

2024: No changes in assumptions.

2023: No changes in assumptions.

2022: No changes in assumptions.

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

2020: No changes in assumptions.

2019: No changes in assumptions.

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

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

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

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

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

<b>Schedule of the District's Proportionate Share of the Net Pension Liability-CERS</b>										
<i>As of June 30,</i>	2024	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.182260%	0.190670%	0.235033%	0.202624%	0.208223%	0.214503%	0.220721%	0.222690%	0.233670%	0.231660%
District's proportionate share of the net pension liability	\$ 10,899,920	\$ 12,234,357	\$ 16,990,567	\$ 12,918,869	\$ 15,970,532	\$ 15,086,092	\$ 13,442,582	\$ 13,010,088	\$ 11,504,838	\$ 9,960,000
District's covered payroll	\$ 5,999,632	\$ 5,855,838	\$ 6,847,577	\$ 5,437,951	\$ 5,450,695	\$ 5,480,006	\$ 5,562,279	\$ 5,536,072	\$ 5,666,852	\$ 4,607,166
District's proportionate share of the net pension liability as a percentage of its covered payroll	181.68%	208.93%	248.13%	237.57%	293.00%	275.29%	241.67%	235.01%	203.02%	216.18%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%

<b>Schedule of District's Contributions-CERS</b>										
<i>For the Years Ended June 30,</i>	2024	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,347,916	\$ 1,400,314	\$ 1,370,266	\$ 1,449,632	\$ 1,049,524	\$ 1,051,984	\$ 888,857	\$ 805,418	\$ 772,282	\$ 703,823
Contributions in relation to the contractually required contribution	1,347,916	1,400,314	1,370,266	1,449,632	1,049,524	1,051,984	888,857	805,418	772,282	703,823
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 6,838,742	\$ 5,999,632	\$ 5,855,838	\$ 6,847,577	\$ 5,437,951	\$ 5,450,695	\$ 5,480,006	\$ 5,562,279	\$ 5,536,072	\$ 5,666,852
Contributions as a percentage of covered payroll	19.71%	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%

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

**Changes of Benefit Terms**

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

2024: No changes in benefit terms.

2023: No changes in benefit terms.

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

2017: No changes in benefit terms.

2016: No changes in benefit terms.

2015: No changes in benefit terms.

**Changes of Assumptions**

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

2024: No changes in assumptions.

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

2022: No changes in assumptions.

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

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

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

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

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

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

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

2015: No changes in assumptions.

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

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

<i>As of June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the collective net O	0.209860%	0.221765%	0.311724%	0.242205%	0.263982%	0.259866%	0.255459%	0.270290%
District's proportionate share of the collective net OPEB liability	\$ 4,678,000	\$ 5,401,000	\$ 7,739,000	\$ 5,197,000	\$ 6,662,000	\$ 7,606,000	\$ 8,864,000	\$ 9,542,000
District's covered payroll	\$ 17,460,199	\$ 15,907,593	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000	\$ 16,729,000
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	26.79%	33.95%	46.54%	29.10%	39.21%	45.91%	53.30%	57.04%
Plan fiduciary net position as a percentage of the total OEPB liability	59.81%	52.97%	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%

**Schedule of the District's Contributions - KTRS**

<i>For the Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 455,006	\$ 386,909	\$ 375,930	\$ 380,911	\$ 372,218	\$ 426,025	\$ 455,000	\$ 463,000
Contributions in relation to the contractually required contribution	455,006	386,909	375,930	380,911	372,218	426,025	455,000	463,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 18,219,950	\$ 17,460,199	\$ 15,907,593	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000
Contributions as percentage of covered payroll	2.50%	2.22%	2.36%	2.29%	2.08%	2.51%	2.75%	2.78%

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

**Changes of Benefit Terms**

2024: No changes of benefit terms.

2023: No changes of benefit terms.

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

2021: No changes of benefit terms.

2020: No changes of benefit terms.

2019: No changes of benefit terms.

2018: No changes of benefit terms.

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

**Changes of Assumptions**

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

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

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

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

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

<i>As of June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the collective net O	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 17,460,199	\$ 15,907,593	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000	\$ 16,729,000
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total OEPB liability	80.56%	76.91%	73.97%	89.15%	71.57%	73.40%	75.00%	79.99%

**Schedule of the District's Contributions - KTRS**

<i>For the Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 18,219,950	\$ 17,460,199	\$ 15,907,593	\$ 16,629,719	\$ 17,859,369	\$ 16,990,714	\$ 16,566,000	\$ 16,631,000
Contributions as percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**Changes of Benefit Terms**

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

**Changes of Assumptions**

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

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

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

<i>As of June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.182173%	0.190650%	0.235188%	0.202577%	0.208266%	0.214470%	0.220712%	0.222269%
District's proportionate share of the net OPEB liability	\$ (315,123)	\$ (263,224)	\$ 4,641,467	\$ 3,878,235	\$ 5,028,991	\$ 3,606,902	\$ 3,918,698	\$ 4,468,367
District's covered payroll	\$5,999,632	\$ 5,855,838	\$ 6,847,577	\$ 5,437,951	\$ 5,450,695	\$ 5,480,006	\$ 5,562,279	\$ 5,536,072
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	-5.25%	-4.50%	67.78%	71.32%	92.26%	65.82%	70.45%	80.71%
Plan fiduciary net position as a percentage of the total OPEB liability	104.89%	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%

**Schedule of District Contributions - CERS**

<i>For the years ended June 30,</i>	2024	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ -	\$ -	\$ 199,340	\$ 394,683	\$ 259,110	\$ 259,717	\$ 288,248	\$ 261,427
Contributions in relation to the contractually required contribution	-	-	199,340	394,683	259,110	259,717	288,248	261,427
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$6,838,742	\$ 5,999,632	\$ 5,855,838	\$ 6,847,577	\$ 5,437,951	\$ 5,450,695	\$ 5,480,006	\$ 5,562,279
Contributions as a percentage of covered payroll	0.00%	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

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

**Changes of Benefit Terms**

No changes of benefit terms.

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

**Changes of Assumptions**

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

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

2022: The single discount rates used to calculate the total OPEB liability within the plan changed since the prior year. Additional information regarding the single discount rates is provided in Note 9 of the financial statements. During the 2022 legislative session, Senate Bill 209 was enacted which increased the insurance dollar contribution for members hired on or after July 1, 2023 by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA. The total OPEB liability as of June 30, 2022 is determined using these updated benefit provisions.

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

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

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

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

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

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

Ohio County School District  
Combining Balance Sheet  
Nonmajor Governmental Funds

<i>June 30, 2025</i>	SEEK Fund	FSPK Fund	Debt Service Fund	Student Activity Fund	District Activity Fund	Total Other Governmental Funds
<b>Assets</b>						
Cash	\$ -	\$ 515,655	\$ -	\$ 127,725	\$ 137,738	\$ 781,118
Accounts receivable	-	-	-	-	2,460	2,460
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 515,655</b>	<b>\$ -</b>	<b>\$ 127,725</b>	<b>\$ 140,198</b>	<b>\$ 783,578</b>
<b>Fund Balances</b>						
Restricted						
Student activities	-	-	-	127,725	-	127,725
SFCC offer	-	515,655	-	-	-	515,655
Assigned	-	-	-	-	140,198	140,198
<b>Total fund balances</b>	<b>-</b>	<b>515,655</b>	<b>-</b>	<b>127,725</b>	<b>140,198</b>	<b>783,578</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 515,655</b>	<b>\$ -</b>	<b>\$ 127,725</b>	<b>\$ 140,198</b>	<b>\$ 783,578</b>

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

<i>For the year ended June 30, 2025</i>	SEEK Fund	FSPK Fund	Debt Service Fund	Student Activity Fund	District Activity Fund	Total Other Governmental Funds
<b>Revenues</b>						
From local sources:						
Taxes:						
Property	\$ -	\$ 696,490	\$ -	\$ -	\$ -	\$ 696,490
Earnings on investments	-	-	-	6,033	-	6,033
Other local revenue	-	-	-	133,226	288,908	422,134
Intergovernmental - state	352,326	1,436,843	339,885	-	-	2,129,054
<b>Total revenues</b>	<b>352,326</b>	<b>2,133,333</b>	<b>339,885</b>	<b>139,259</b>	<b>288,908</b>	<b>3,253,711</b>
<b>Expenditures</b>						
Current:						
Instruction	-	-	-	109,881	610,120	720,001
Support services:						
Instructional staff	-	-	-	-	57,052	57,052
Student transportation	-	-	-	-	111,721	111,721
Debt service:						
Principal	-	-	1,706,000	-	-	1,706,000
Interest	-	-	407,422	-	-	407,422
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>2,113,422</b>	<b>109,881</b>	<b>778,893</b>	<b>3,002,196</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>352,326</b>	<b>2,133,333</b>	<b>(1,773,537)</b>	<b>29,378</b>	<b>(489,985)</b>	<b>251,515</b>

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

<i>For the year ended June 30, 2025</i>	SEEK Fund	FSPK Fund	Debt Service Fund	Student Activity Fund	District Activity Fund	Total Other Governmental Funds
<b>Other Financing Sources (Uses)</b>						
Operating transfers-in	-	-	1,773,537	-	463,044	2,236,581
Operating transfers-out	(352,326)	(2,330,023)	-	(27,192)	-	(2,709,541)
<b>Total other financing sources (uses)</b>	(352,326)	(2,330,023)	1,773,537	(27,192)	463,044	(472,960)
Net change in fund balances	-	(196,690)	-	2,186	(26,941)	(221,445)
Fund balances - beginning of year	-	712,345	-	125,539	167,139	1,005,023
Fund Balances - end of year	\$ -	\$ 515,655	\$ -	\$ 127,725	\$ 140,198	\$ 783,578

Ohio County School District  
 Combining Statement of Net Position  
 Nonmajor Proprietary Funds

<i>June 30, 2025</i>	<b>School Aged Child Care Fund</b>	<b>Fordsville Education Program</b>	<b>Ohio County Schools Auditorium</b>	<b>Total Other Enterprise Funds</b>
<b>Assets</b>				
Cash	\$ 172,279	\$ 7,065	\$ 3,502	\$ 182,846
Total assets	172,279	7,065	3,502	182,846
<b>Net Position</b>				
Unrestricted	172,279	7,065	3,502	182,846
Total net position	\$ 172,279	\$ 7,065	\$ 3,502	\$ 182,846

Ohio County School District  
Combining Statement of Revenue, Expenses and Changes in Net Position  
Nonmajor Proprietary Funds

<i>For the year ended June 30, 2025</i>	School Aged Child Care Fund	Fordsville Education Program	Ohio County Schools Auditorium	Total Other Enterprise Funds
<b>Operating Revenues</b>				
Tuition and fees	\$ 11,071	\$ 7,744	\$ -	\$ 18,815
<b>Total operating revenues</b>	<b>11,071</b>	<b>7,744</b>	<b>-</b>	<b>18,815</b>
<b>Operating Expenses</b>				
Instruction	-	5,846	-	5,846
Other operating expenses	57,127	-	-	57,127
<b>Total operating expenses</b>	<b>57,127</b>	<b>5,846</b>	<b>-</b>	<b>62,973</b>
<b>Operating income (loss)</b>	<b>(46,056)</b>	<b>1,898</b>	<b>-</b>	<b>(44,158)</b>
<b>Non-Operating Revenues</b>				
State operating grants	40,029	-	-	40,029
<b>Total non-operating revenues</b>	<b>40,029</b>	<b>-</b>	<b>-</b>	<b>40,029</b>
<b>Change in net position</b>	<b>(6,027)</b>	<b>1,898</b>	<b>-</b>	<b>(4,129)</b>
<b>Net position - beginning of year</b>	<b>178,306</b>	<b>5,167</b>	<b>3,502</b>	<b>186,975</b>
<b>Net position - end of year</b>	<b>\$ 172,279</b>	<b>\$ 7,065</b>	<b>\$ 3,502</b>	<b>\$ 182,846</b>

Ohio County School District  
Combining Statement of Cash Flows  
Nonmajor Proprietary Funds

<i>For the year ended June 30, 2025</i>	School Aged Child Care Fund	Fordsville Education Program	Ohio County Schools Auditorium	Total Other Nonmajor Enterprise Funds
<b>Operating Activities</b>				
Cash received from user charges	\$ 17,020	\$ 7,744	\$ -	\$ 24,764
Cash payments for other operating expenses	(17,234)	(5,846)	-	(23,080)
Net cash provided by (used in) operating activities	(214)	1,898	-	1,684
Net increase (decrease) in cash	(214)	1,898	-	1,684
Cash - beginning of year	172,493	5,167	3,502	181,162
Cash - end of year	\$ 172,279	\$ 7,065	\$ 3,502	\$ 182,846

<i>For the year ended June 30, 2025</i>	School Aged Child Care Fund	Fordsville Education Program	Ohio County Schools Auditorium	Total Other Nonmajor Enterprise Funds
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ (46,056)	\$ 1,898	\$ -	\$ (44,158)
Adjustments To Reconcile Operating Income To Net Cash Provided by (Used in) Operating Activities:				
On-behalf payments received	40,029	-	-	40,029
Changes in assets and liabilities:				
Receivables	5,949	-	-	5,949
Accounts payable	-	-	(136)	(136)
Net cash provided by (used in) operating activities	\$ (78)	\$ 1,898	\$ (136)	\$ 1,684

Ohio County School District  
Combining Statement of School Activity Funds

<i>Year Ended June 30, 2025</i>	<b>Cash July 1, 2024</b>	<b>Cash Receipts</b>	<b>Cash Disbursements and Transfers</b>	<b>Cash June 30, 2025</b>	<b>Fund Balance June 30, 2025</b>
Southern Elementary School	\$ 9,093	\$ 531	\$ 1,578	\$ 8,046	\$ 8,046
Western Elementary School	3,319	240	-	3,559	3,559
Wayland Alexander Elementary School	6,417	1,271	1,228	6,460	6,460
Fordsville Elementary School	2,363	2,362	2,392	2,333	2,333
Horse Branch Elementary School	2,746	137	-	2,883	2,883
Beaver Dam Elementary School	3,530	6,802	5,952	4,380	4,380
Ohio County Middle School	18,130	17,953	15,227	20,856	20,856
Ohio County High School	79,941	112,498	113,231	79,208	79,208
<b>Total</b>	<b>\$ 125,539</b>	<b>\$ 141,794</b>	<b>\$ 139,608</b>	<b>\$ 127,725</b>	<b>\$ 127,725</b>

Ohio County School District  
Statement of School Activity Funds -  
Ohio County High School

<i>Year Ended June 30, 2025</i>	<b>Cash</b> <b>July 1, 2024</b>	<b>Cash</b> <b>Receipts</b>	<b>Cash</b> <b>Disbursements</b> <b>and Transfers</b>	<b>Cash</b> <b>June 30, 2025</b>	<b>Accounts</b> <b>Receivable</b>	<b>Accounts</b> <b>Payable</b>	<b>Fund Balance</b> <b>June 30, 2025</b>
Boys Soccer - District	\$ -	\$ 628	\$ 628	\$ -	\$ -	\$ -	\$ -
Regional Boys Soccer	-	4,423	4,423	-	-	-	-
Boys/Girls Basketball Region	3	-	-	3	-	-	3
JROTC	3,434	2,283	2,553	3,164	-	-	3,164
Art Club	359	1,214	1,151	422	-	-	422
Beta Club	3,745	4,425	5,045	3,125	-	-	3,125
FCA	265	331	197	399	-	-	399
Speak Up	103	-	-	103	-	-	103
TMRW	43	820	571	292	-	-	292
Drama Club	1,919	3,587	2,053	3,453	-	-	3,453
FFA	932	8,331	6,579	2,684	-	-	2,684
FCCLA	1,043	7,988	8,453	578	-	-	578
NHS	2,811	1,270	633	3,448	-	-	3,448
Pep Club	906	636	782	760	-	-	760
OC Drug Free	87	1,010	652	445	-	-	445
PCG	10	-	-	10	-	-	10
Eagle Excellence	1,548	-	602	946	-	-	946
General Fund	6,545	5,683	4,579	7,649	-	-	7,649
Book Club	1,454	170	148	1,476	-	-	1,476
Prom	4,419	11,400	12,968	2,851	-	-	2,851
AP Exam	3,028	1,858	2,354	2,532	-	-	2,532

Ohio County School District  
Statement of School Activity Funds -  
Ohio County High School

<i>Year Ended June 30, 2025</i>	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Accounts</b>	<b>Accounts</b>	<b>Fund Balance</b>
	<b>July 1, 2024</b>	<b>Receipts</b>	<b>Disbursements and Transfers</b>	<b>June 30, 2025</b>	<b>Receivable</b>	<b>Payable</b>	<b>June 30, 2025</b>
Student Council - Dances	5,257	4,070	1,836	7,491	-	-	7,491
FCS - Culinary Creations	83	-	-	83	-	-	83
FFA Farm City Supper	465	-	-	465	-	-	465
Spirit Store	3,098	2,401	2,210	3,289	-	-	3,289
Social Studies Trip	109	-	-	109	-	-	109
Horticulture - Plant Sales	18,922	31,401	32,166	18,157	-	-	18,157
FACS - Beef/Egg/Chicken Reb	43	41	-	84	-	-	84
Yearbook Ad/Sales	19,100	10,047	14,800	14,347	-	-	14,347
FFA - Fruit Sales	91	3,366	2,614	843	-	-	843
Senior Trip	119	4,150	4,269	-	-	-	-
Cash over/short	-	965	965	-	-	-	-
<b>Total</b>	<b>\$ 79,941</b>	<b>\$ 112,498</b>	<b>\$ 113,231</b>	<b>\$ 79,208</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,208</b>

## Ohio County School District Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Child Nutrition Cluster				
Direct Program:				
Food Distribution Program - non-cash	10.555	-	\$ -	\$ 197,580
Passed-Through State Department of Education:				
School Breakfast Program	10.553	7760005 25	-	982,001
National School Lunch Program	10.555	7750002 25	-	1,968,896
Summer Food Service Program for Children	10.559	7740023 24	-	<u>269,278</u>
Subtotal				3,417,755
State Administrative Expense for Child Nutrition	10.560	7700001 24	-	6,147
Direct Program:				
Summer Electronic Benefit Transfer Program for Children	10.646	-		6,000
<b>Total U.S. Department of Agriculture</b>				<b>3,429,902</b>
<b>U.S. Department of Defense</b>				
Direct Program:				
ROTC - 2025	12.U01	-	-	78,923
<b>Total U.S. Department of Defense</b>				<b>78,923</b>
<b>U.S. Department of Education</b>				
Passed-Through State Department of Education:				
Title I, Part A				
Title I Grants to Local Educational Agencies - 2023	84.010	3100002 22	-	79,148
Title I Grants to Local Educational Agencies - 2024	84.010	3100002 23	-	406,764
Title I Grants to Local Educational Agencies - 2025	84.010	3100002 24	-	<u>1,097,831</u>

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

Ohio County School District  
Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Title I State Agency Program for Neglected and Delinquent Children and Youth - 2024	84.013	313K	-	20,756
Title I State Agency Program for Neglected and Delinquent Children and Youth - 2025	84.013	313L	-	8,373
Subtotal				29,129
Special Education Cluster				
Special Education Grant to States - 2024	84.027	3810002 23	-	158,838
Special Education Grant to States - 2025	84.027	3810002 24	-	956,390
Special Education Preschool Grant - 2024	84.173	3800002 23	-	8,933
Special Education Preschool Grant - 2025	84.173	3800002 24	-	61,772
Subtotal				1,185,933
English Language Acquisition State Grants - 2024	84.365	3300002 23	-	1,384
English Language Acquisition State Grants - 2025	84.365	3300002 24	-	19,960
Subtotal				21,344
Career and Technical Education - Basic Grants to States - 2024	84.048	3710002 23	-	3,517
Career and Technical Education - Basic Grants to States - 2025	84.048	3710002 24	-	28,184
Subtotal				31,701
Supporting Effective Instruction State Grants - 2024	84.367	401K	-	6,357
Supporting Effective Instruction State Grants - 2025	84.367	401L	-	187,406
Subtotal				193,763
Rural Education - 2025	84.358	3140002 24	-	102,263
Student Support and Academic Enrichment Program - 2023	84.424	3420002 22	-	7,696
Student Support and Academic Enrichment Program - 2024	84.424	3420002 23	-	36,048
Student Support and Academic Enrichment Program - 2025	85.424	3420002 23	-	74,264
Subtotal				118,008
COVID-19 Education Stabilization Funds				
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	4300002-21	-	220,471
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	4300002-21	-	2,687
Subtotal				223,158
<b>Total U.S. Department of Education</b>				<b>3,489,042</b>
<b>U.S. Department of Health and Human Services</b>				
Passed-Through State Department of Health and Human Services:				
Cooperative Agreements to Promote Adolescent health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	493H	-	300
Cooperative Agreements to Promote Adolescent health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	493H	-	109
Subtotal				409
<b>Total U.S. Department of Health and Human Services</b>				<b>409</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 6,998,276</b>

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

Ohio County School District  
Notes to the Schedule of Expenditures of Federal Awards

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Ohio County School District (the "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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

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

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

Nonmonetary assistance is reported in the schedule at fair value of the goods received.

**NOTE 3: INDIRECT COST RATE**

The District has elected to use indirect cost rates as defined by the grantor in the following programs:

- Child Nutrition Cluster
- Title I Grants to Local Educational Agencies
- IDEA – Part B Special Education
- Supporting Effective Instruction State Grants
- English Language Acquisition State Grants
- Title IV Student Support and Academic Enrichment Program

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

**NOTE 4: LOANS AND LOAN GUARANTEES**

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

**NOTE 5: SUBRECIPIENTS**

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

Ohio County School District  
Summary Schedule of Prior Audit Findings

There were no findings in the prior year audit.



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**Independent Auditor’s Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Ohio County School District  
Hartford, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits as defined in the *Independent Auditor’s Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Ohio County School District (the “District” as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Ohio County School District’s basic financial statements, and have issued our report thereon dated January 30, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control 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 instances of material noncompliance of specific state statutes or regulations identified in the *Independent Auditor's Contract – State Compliance Requirements*.

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

### **Purpose of this Report**

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

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

Carr, Riggs & Ingram, L.L.C.  
Bowling Green, Kentucky  
January 30, 2026



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**Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control over  
Compliance Required by the Uniform Guidance**

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Ohio County School District  
Hartford, Kentucky

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

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

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

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

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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.

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

Carr, Riggs & Ingram, L.L.C.  
Bowling Green, KY  
January 30, 2026

Ohio County School District  
Schedule of Findings and Questioned Costs

**Section I — Summary of Auditor’s Results**

**Financial Statements**

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

Internal control over financial reporting:

- |   |                              |   |
|---|------------------------------|---|
| Material weakness(es) identified?                     | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No            |
| Significant deficiency(ies) identified?               | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |
| Noncompliance material to financial statements noted? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No            |

**Federal Awards**

Internal control over major Federal programs:

- |   |                              |   |
|---|------------------------------|---|
| Material weakness(es) identified?       | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No            |
| Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |

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

- |   |                              |  |
|---|------------------------------|--|
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200.516(a))? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
|---|------------------------------|--|

Ohio County School District  
Schedule of Findings and Questioned Costs

Identification of major Federal program:

<b>Federal Assistance Listing Numbers</b>	<b>Name of Federal Program or Cluster</b>
84.010 84.027; 84.173	Title I, Part A Special Education Cluster

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

Auditee qualified as low-risk auditee?  Yes  No

**Section II — Financial Statement Findings**

None reported.

**Section III — Federal Award Findings and Questioned Costs**

None reported.



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Kentucky State Committee for School District Audits  
Members of the Board of Education  
Ohio County School District  
Hartford, Kentucky

In planning and performing our audit of the financial statements of Ohio County School District (the "District" as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of internal control over financial reporting (internal control as a basis for designing auditing 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.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated January 30, 2026 contains our communication of significant deficiencies or material weaknesses in the District's internal control. This letter does not affect our report dated January 30, 2026 on the financial statements of the District.

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

This communication is intended solely for the information and use of the District, Kentucky State Committee for School Districts Audits, and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Carr, Riggs & Ingram, L.L.C.  
Bowling Green, KY  
January 30, 2026

## Ohio County School District Comments and Recommendations

### **Southern Elementary**

- During our sampling procedures over daily receipts, we noted the one sampled receipt tested lacked the receipt numbers being listed on the deposit slip. We recommend all receipts list the receipt numbers on the deposit slip in accordance with Redbook.

### **Western Elementary**

- During our sampling procedures over daily receipts, we noted the one sampled receipt tested lacked the receipt numbers being listed on the deposit slip. We recommend all receipts list the receipt numbers on the deposit slip in accordance with Redbook.

### **Wayland Alexander Elementary**

- During our sampling procedures over daily receipts, we noted the one sampled receipt tested lacked the receipt numbers being listed on the deposit slip, and it lacked dual initials being recorded on the deposit slip. We recommend all receipts list the receipt numbers on the deposit slip and have dual initials documented in accordance with Redbook.

### **Fordsville Elementary**

- During our sampling procedures over receipts, we noted two of two sampled receipts where the receipt numbers were not listed on the deposit slip. In addition, one of two sampled receipts was not deposited timely. We recommend all receipts list the receipt numbers on the deposit slip and be deposited timely in accordance with Redbook.
- During our sampling procedures over disbursements, we noted one of two sampled disbursements where the invoice was not stamped as paid. We recommend all invoices be stamped as paid in accordance with Redbook.

### **Beaver Dam Elementary**

- During our sampling procedures over receipts, we noted one of two sampled receipts was not deposited timely and lacked dual initials on the deposit slip. We recommend receipts be deposited timely and have dual initials documented in accordance with Redbook.
- During our sampling procedures over disbursements, we noted one of four sampled disbursements where the invoice was not stamped as paid. We recommend all invoices be stamped as paid in accordance with Redbook.

### **Ohio County Middle School**

- During our sampling procedures over daily receipts, we noted the one of seven sampled receipt tested lacked the receipt numbers being listed on the deposit slip.

## Ohio County School District Comments and Recommendations

We recommend all receipts list the receipt numbers on the deposit slip in accordance with Redbook.

### **Ohio County High School**

- None

### **Prior Year**

All prior year findings were corrected.

# Ohio County School District Management Responses

**Kara Bullock**  
Assistant Superintendent

**Clinton Hoover**  
Assistant Superintendent

**Katly Meredith, CSFM**  
CFO/Treasurer

**Brady Vance**  
Director of Special Education

**Chris Stafford**  
Director of District Programs

## Ohio County Schools



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*Seth Southard, Superintendent*

### Board Members

**Jeff Evans**  
Chairman  
Centertown

**Anthony Geary**  
Vice Chairman  
Beaver Dam

**Tim Johnston**  
Horse Branch  
Southern

**Cydney Dupree**  
Hartford

**Helen Dever**  
Fordsville

### Current Year Comments

#### Southern Elementary

**Comment:** During our sampling procedures over daily receipts, we noted the one sampled receipt tested lacked the receipt numbers being listed on the deposit slip. We recommend all receipts list the receipt numbers on the deposit slip in accordance with Redbook. (Receipt #3662)

**Response:** The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that all future deposit slips include related receipt numbers. The Principal will verify compliance.

#### Western Elementary

**Comment:** During our sampling procedures over daily receipts, we noted the one sampled receipt tested lacked the receipt numbers being listed on the deposit slip. We recommend all receipts list the receipt numbers on the deposit slip in accordance with Redbook. (Receipt #1297)

**Response:** The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that all future deposit slips include related receipt numbers. The Principal will verify compliance.

#### Wayland Alexander Elementary

**Comment:** During our sampling procedures over daily receipts, we noted the one sampled receipt tested lacked the receipt numbers being listed on the deposit slip, and it lacked dual initials being recorded on the deposit slip. We recommend all receipts list the receipt numbers on the deposit slip and have dual initials documented in accordance with Redbook. (Receipt #4601)

**Response:** The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that all future deposit slips include receipt numbers and dual initials. The Principal will verify compliance.

BOARD MEETS THIRD THURSDAY AT 6:00 P.M.

#### Non-Discriminatory Policy Statement

Students, their parents and employees of the Ohio County Board of Education, are hereby notified this school district does not discriminate on the basis of race, color, religion, gender, genetic information, national or ethnic origin, political affiliation, age or disabling condition in employment, educational programs, vocational programs or activities as set forth in Title IX, Title VI, Section 504, and ADA. Any person having inquiries concerning the Ohio County Board of Education compliance with Title IX, Title VI, Section 504, and ADA is directed to contact Christy Noflinger, Ohio County Board of Education, P.O. Box 70, 315 East Union Street, Hartford, KY 42347, 298-3249, who has been designated to coordinate the district's efforts to comply with Title IX, Title VI, and Section 504.

# Ohio County School District Management Responses

**Kara Bulbeck**  
Assistant Superintendent

**Cheston Hoover**  
Assistant Superintendent

**Kathy Meredith, CSFM**  
CFO/Treasurer

**Brady Vance**  
Director of Special Education

**Chris Stafford**  
Director of District Programs

## Ohio County Schools



315 East Union Street  
P. O. Box 70  
Hartford, Kentucky 42347  
(270) 298-3249  
Fax (270) 298-3886

*Seth Southard, Superintendent*

**Board Members**

**Jeff Evans**  
Chairman  
Cresttown

**Anthony Geary**  
Vice Chairman  
Beaver Dam

**Tim Johnston**  
Horse Branch/  
Southern

**Cydney Dupree**  
Hartford

**Helen Dever**  
Fordsville

### Fordsville Elementary

**Comment:** During our sampling procedures over receipts, we noted two of two sampled receipts where the receipt numbers were not listed on the deposit slip. In addition, one of two sampled receipts was not deposited timely. We recommend all receipts list the receipt numbers on the deposit slip and be deposited timely in accordance with Redbook. (Receipts 4148 and 4150)

**Response:** The School Treasurer has attended Redbook training courses. The School Treasurer will ensure that all future deposits are made timely and that deposit slips include receipt numbers. The Principal will verify compliance.

**Comment:** During our sampling procedures over disbursements, we noted one of two sampled disbursements where the invoice was not stamped as paid. We recommend all invoices be stamped as paid in accordance with Redbook. (Disbursement # 4141)

**Response:** The School Treasurer has attended Redbook training courses. The School Treasurer will ensure that all future disbursements are marked as paid. The Principal will verify compliance.

### Beaver Dam Elementary

**Comment:** During our sampling procedures over receipts, we noted one of two sampled receipts was not deposited timely and lacked dual initials on the deposit slip. We recommend receipts be deposited timely and have dual initials documented in accordance with Redbook. (Receipt #9467)

**Response:** The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that all future deposits are deposited timely and that deposit slips include dual initials. The Principal will verify compliance.

**Comment:** During our sampling procedures over disbursements, we noted one of four sampled disbursements where the invoice was not stamped as paid. We recommend all invoices be stamped as paid in accordance with Redbook. (Disbursement # 4255)

**Response:** The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that all future disbursements are marked as paid. The Principal will verify compliance.

BOARD MEETS THIRD THURSDAY AT 6:00 P.M.

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Ohio County School District  
Management Responses

Kara Bullock  
Assistant Superintendent

Cheston Hoover  
Assistant Superintendent

Kathy Meredith, CSFM  
CFO/Treasurer

Brady Vance  
Director of Special Education

Chris Stafford  
Director of District Programs

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Centertown

Anthony Geary  
Vice Chairman  
Beaver Dam

Tim Johnston  
Horse Branch/  
Southern

Cydney Dapone  
Hartford

Helen Dever  
Fordsville

## Ohio County Middle School

**Comment:** During our sampling procedures over daily receipts, we noted the one of seven sampled receipt tested lacked the receipt numbers being listed on the deposit slip. We recommend all receipts list the receipt numbers on the deposit slip in accordance with Redbook. (Receipt #7234)

**Response:** The School Treasurer has attended multiple Redbook training courses. The School Treasurer will ensure that all future deposit slips include receipt numbers. The Principal will verify compliance.

## Ohio County High School

None

Kathy Meredith  
Finance Officer  
Ohio County School District

BOARD MEETS THIRD THURSDAY AT 6:00 P.M.

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