

PIKE COUNTY BOARD OF EDUCATION
PIKEVILLE, KENTUCKY

FINANCIAL STATEMENTS
SUPPLEMENTAL INFORMATION AND
INDEPENDENT AUDITORS REPORT

YEAR ENDED JUNE 30, 2025

Wallen, Puckett, & Associates, PSC
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 1349
PIKEVILLE, KENTUCKY 41502

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for Board of Education Audits
Members of the Board of
Pike County Board of Education
Pikeville, 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 Pike County Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Pike County Board of Education'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 Pike County Board of Education, 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. 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 Pike County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pike County Board of Education'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 Pike County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–8 and 58–61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pike County Board of Education'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 December 19, 2025, on our consideration of the Pike County Board of Education'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 Pike County Board of Education'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 Pike County Board of Education's internal control over financial reporting and compliance.

WALLEN, PUCKETT, AND ASSOCIATES, P. S. C.

Wallen, Puckett and Associates, PSC

Certified Public Accountants
Pikeville, Kentucky

December 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**PIKE COUNTY SCHOOL SYSTEM – PIKEVILLE, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

As management of the Pike County School System (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

- For FY25 (ending for FY24), the beginning cash and investment balance from all funds for the District was \$41,539,845.35, of which \$16,470,935.35 was obligated for current and future construction projects. The total also included cash totaling \$2,991,868.50 to cover summer payrolls already written but not distributed, along with \$3,301,389.47 reserved for Food Service. Lastly, totals include funds reserved for schools via District Activity Fund (\$133,473.32) and School Activity Funds (\$1,246,894.21).
- The General Fund (Fund 1) had \$110,036,437.55 in revenue, which consisted of a beginning balance of \$24,922,138.35, the state program (SEEK) funding, property, unmined minerals, utilities, and motor vehicle taxes. There were \$84,317,044.44 in General Fund expenditures, consisting primarily of salary and benefits, as well as expenditures for utilities, insurances, new vehicles/buses, computers, instructional supplies, maintenance and transportation supplies, general supplies, contract and professional services, and other items as determined by necessity. Both revenues and expenses include state on-behalf payments for insurances, retirement and technology of \$18,766,027.69. In FY24, the year-end Unreserved Fund 1 Balance was \$24,527,515.55. For FY25, the year-end Unreserved Fund 1 Balance is \$24,966,683.71, an increase of \$439,168.16. The increase can be attributed to good business practices.
- The Special Revenue Fund (Fund 2) was used to receipt and expend local, state and federal grant awards.
- The District Activity Fund (Fund 21) was used to receipt and expend non-student generated funds from the schools. Schools send up non-student generated funds on a monthly basis that are expended on items such as athletics, instruction, building & grounds, etc. Any unused funds are carried over to the next year and reallocated to the schools.
- The Student Activity Funds (Fund 25) was used to track revenues and expenses in school level checking accounts. This fund was added due to the implementation of GASB 84 by the Kentucky Department of Education.
- The Capital Outlay Fund (Fund 310) and the Building Fund (Fund 320) were first used to meet obligations on prior bond issues. Funds are transferred from these funds to the district Debt Service fund (Fund 400). Bonds are issued as the District renovates facilities consistent with its long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations. On bond issues that existed as of July 1, 2024, the district’s total principal debt decreased by \$7,650,311.29 during the current fiscal year, which includes payments by both the district and SFCC. As allowed by law, funds available beyond bond obligations were used for capital improvement projects such as roofs and HVAC systems and for property insurance, KISTA payments, bus purchases and other on-going construction projects. No new bonds were sold in FY25.
- The School Food Service Fund (Fund 51) was used to receipt and expend funds associated with the school feeding programs. Both revenues and expenditures include state on-behalf payments of \$1,892,418.85. On June 30, 2025, the Food Service program had Restricted-Net Assets, excluding pension, of \$3,116,075.58. Note: For the 24-25 school year, the Board continued the Community Eligibility Option (CEO) program. This program requires free breakfast and lunch for all students, regardless of income.

Management Discussion and Analysis (MD&A)

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements can be found on pages 9-10 of this report.

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

The basic governmental fund financial statements can be found on pages 11-17 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-56 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of this District, assets exceeded liabilities by \$77,195,421 as of June 30, 2025.

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

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

Management Discussion and Analysis (MD&A)

Net Position for the period ending June 30, 2025

The current year's financial statements reflect the following:

	June 30, 2025	June 30, 2024
Current Assets	\$ 62,741,596	\$ 64,551,084
Noncurrent Assets	170,710,855	176,195,107
Total Assets	<u>\$ 233,452,451</u>	<u>\$ 240,746,191</u>
Deferred Outflows of Resources	<u>\$ 16,148,997</u>	<u>\$ 23,459,264</u>
Current Liabilities	\$ 18,792,667	\$ 21,260,083
Noncurrent Liabilities	125,711,289	141,464,588
Total Liabilities	<u>\$ 143,681,750</u>	<u>\$ 162,724,671</u>
Deferred Inflows of Resources	<u>\$ 27,079,865</u>	<u>\$ 37,603,619</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	\$ 79,544,167	\$ 78,471,460
Restricted	22,326,258	21,101,088
Unassigned	<u>(23,163,804)</u>	<u>(35,695,383)</u>
Total Net Position	<u>\$ 78,839,833</u>	<u>\$ 63,877,165</u>

Comments on Budget Comparisons

- The District's total revenues for the fiscal year ended June 30, 2025, including beginning balances and on-behalf payments for all funds, except construction, School Activity and debt service, were \$160,839,365.25.
- General fund budgeted revenues compared to actual revenue varied slightly from line item to line item with major variances in tax revenues. The ending actual balance, excluding on-behalf payments and new KISTA bond sale for bus revenues, was \$4,721,008.81 more than budgeted or approximately 7.8 percentage points. The majority of this increase was due to the improvement in tax revenue, the substantial upturn in prevailing interest rates and the return of prior year expenditures.
- General fund budget expenditures compared to actual expenditures, exclusive of budgeted contingency and on-behalf, varied from line item to line item with the ending actual balance being \$5,221,503.33 less than budgeted, or approximately 7.4 percent. Part of the reason for this variance was the district's continued effort to reduce payroll expenses through attrition and constant review of non-payroll expenses.

Management Discussion and Analysis (MD&A)

The following table presents a summary of revenue and expense, for all funds except Student Activity Funds, Construction, Building Funds and Debt Service, for the fiscal year ended June 30, 2025, and 2024.

	June 30, 2025	June 30, 2024
Revenues		
Beginning Balance	\$ 29,698,127.54	\$ 26,228,770.52
Local revenue sources	23,644,470.54	24,532,591.79
State revenue sources	64,095,388.53	62,087,361.25
Federal Revenue	32,051,311.96	30,819,824.37
Other Sources	7,759,082.54	7,265,131.69
Total Revenues	\$ 157,248,381.11	\$ 150,933,679.62
Expenses		
Instruction	\$ 58,448,528.15	\$ 57,142,227.41
Student Support Services	5,327,471.27	5,057,154.41
Instructional Support	5,308,873.35	6,837,079.07
District Administration	3,111,864.87	2,946,129.99
School Administration	4,994,613.86	4,824,022.46
Business Support	1,693,422.02	1,503,157.92
Plant Operations	15,666,599.75	16,180,860.25
Student Transportation	9,121,353.79	10,266,506.93
Food Service Operations	8,477,040.09	8,397,266.06
Community Support	2,016,356.85	2,454,326.23
Land/Site Acquisitions	275,593.74	0.00
Construction/Land	194,775.00	825,867.71
Debt Service	527,445.27	441,541.79
Other/Fund Transfers	10,417,737.31	3,932,340.71
Total Expenses	\$ 125,581,675.32	\$ 120,808,480.94
Revenue in Excess of Expense	\$ 31,666,705.88	\$ 30,125,198.68

BUDGETARY IMPLICATIONS

In Kentucky the public-school fiscal year is July 1-June 30; other programs, i.e., some federal operate on a different fiscal calendar, but are reflected in the district overall budget. By law the budget must have a minimum 2% contingency across major funds. The district adopted a budget with \$14,000,000 in contingency, well above the required amount.

FY26 CONCERNS

In FY26, the biggest concerns of the district is the continued impact of the loss of students due to families leaving the area to look for employment, the continual underfunding of the state SEEK program, and the continual increase in general costs for all areas of the budget. Additionally, instability of the collection of tax related revenues, which are impacted by the economy and the continual decline of the coal and natural gas industries in the area. The number of businesses closing and/or filing bankruptcy has a negative effect on both General Property Taxes and Unmined Mineral Taxes.

The district will continue its participation in the Community Eligibility Option. This option allows free breakfast and lunch for all students. With the increase in food costs, the School Food Service program must be diligent to remain financially viable.

Questions regarding this report should be directed to the Superintendent at (606) 433-9200 or to Nancy S. Ratliff, Director of Finance/Treasurer at (606) 433-9230 or by mail at 316 South Mayo Trail Pikeville, KY 41501.

BASIC FINANCIAL STATEMENTS

PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash & Cash Equivalents	\$ 43,920,287	\$ 1,917,136	\$ 45,837,423
Accounts Receivable	7,191,388	1,163,961	8,355,349
Amounts held by Fiscal Agents	2,380,768	0	2,380,768
Inventory	0	197,795	197,795
OPEB Asset	755,600	66,606	822,206
Due From Other Funds	5,148,055	0	5,148,055
Total Current Assets	<u>\$ 59,396,098</u>	<u>\$ 3,345,498</u>	<u>\$ 62,741,596</u>
Non – Current Assets			
Capital Assets, Net	\$ 162,571,110	\$ 52,521	\$ 162,623,631
Construction in Progress	7,749,690	0	7,749,690
Lease Asset	337,534	0	337,534
Total Non – Current Assets	<u>\$ 170,658,334</u>	<u>\$ 52,521</u>	<u>\$ 170,710,855</u>
TOTAL ASSETS	<u>\$ 230,054,432</u>	<u>\$ 3,398,019</u>	<u>\$ 233,452,451</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow from Pensions	\$ 6,479,116	\$ 571,134	\$ 7,050,250
Deferred Outflow from OPEB -TRS	6,641,695	0	6,641,695
Deferred Outflow from OPEB -CERS	2,258,008	199,044	2,457,052
Total Deferred Outflows of Resources	<u>\$ 15,378,819</u>	<u>\$ 770,178</u>	<u>\$ 16,148,997</u>
LIABILITIES			
Accounts Payable	\$ 1,147,435	\$ 162,816	\$ 1,310,251
Summer Payrolls	3,197,595	0	3,197,595
Interest Payable	504,789	0	504,789
Due to Other Funds	5,148,054	0	5,148,054
Other Liabilities	187,460	0	187,460
Long-term Liabilities			
Sick Leave due within 1 year	584,000	0	584,000
Lease Obligations due within 1 year	525,218	0	525,218
Bond Payments due within 1 year	7,335,300	0	7,335,300
Bond Payments due in more than 1 year	80,324,700	0	80,324,700
Sick Leave payable in more than 1 year	3,307,121	0	3,307,121
Lease Obligations due in more than 1 year	3,008,160	0	3,008,160
Pension Liabilities	26,097,597	2,300,505	28,398,102
OPEB Liabilities-TRS	9,851,000	0	9,851,000
Total Liabilities	<u>\$ 141,218,429</u>	<u>\$ 2,463,321</u>	<u>\$ 143,681,750</u>
Deferred Inflows of Resources			
Deferred Inflows From Pensions	\$ 6,015,982	\$ 530,309	\$ 6,546,291
Deferred Inflows From OPEB-TRS	9,763,000	0	9,763,000
Deferred Inflows From OPEB-CERS	9,008,929	794,138	9,803,067
Unearned Revenue	967,507	0	967,507
Total Deferred Inflows of Resources	<u>\$ 25,755,418</u>	<u>\$ 1,324,447</u>	<u>\$ 27,079,865</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	\$ 79,491,646	\$ 52,521	\$ 79,544,167
Restricted	22,131,562	327,908	22,459,470
Unrestricted	<u>(23,163,804)</u>	<u>0</u>	<u>(23,163,804)</u>
NET POSITION	<u>\$ 78,459,404</u>	<u>\$ 380,429</u>	<u>\$ 78,839,833</u>

See independent auditor's report and accompanying notes to the financial statement.

**PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Expenses	Operating Grants & Contributions	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$ 58,844,314	\$ 10,000	\$ 16,542,718	\$ 0	\$ (42,291,596)	\$ 0	\$ (42,291,596)
Support Services							
Student	4,764,383	0	591,365	0	(4,173,018)	0	(4,173,018)
Instruction Staff	(5,830,818)	0	3,552,869	0	9,383,687	0	9,383,687
District Administrative	3,116,915	0	0	0	(3,116,915)	0	(3,116,915)
School Administrative	4,995,548	0	91,155	0	(4,904,393)	0	(4,904,393)
Business	1,693,504	0	150,835	0	(1,542,669)	0	(1,542,669)
Plant Operation and Maint.	21,447,313	0	1,307,765	0	(20,139,548)	0	(20,139,548)
Student Transportation	8,634,970	0	282,538	0	(8,352,432)	0	(8,352,432)
Community Service Activities	2,016,357	0	2,196,047	0	179,690	0	179,690
Facilities Acquisition and Construction	10,256,780	0	0	0	(10,256,780)	0	(10,256,780)
Interest on Long Term Debt	2,940,860	0	0	0	(2,940,860)	0	(2,940,860)
Total Government Activities	\$ 112,880,126	\$ 10,000	\$ 24,715,292	\$ 0	\$ (88,154,834)	\$ 0	\$ (88,154,834)
Business Type Activities:							
Food Service	\$ 8,538,832	\$ 186,396	\$ 9,809,683	\$ 0	0	1,457,247	1,457,247
Total Business Type Activities	\$ 8,538,832	\$ 186,396	\$ 9,809,683	\$ 0	\$ 0	\$ 1,457,247	\$ 1,457,247
Total Primary Government	\$ 121,418,958	\$ 196,396	\$ 34,524,975	\$ 0	\$ (88,154,834)	\$ 1,457,247	\$ (86,697,587)
General Revenues							
Taxes					\$ 23,192,778	\$ 0	\$ 23,192,778
Investment Earnings					2,265,842	123,254	2,389,096
State and Formula Grants					71,075,817	0	71,075,817
Gains on Sales of Fixed Assets					(357,591)	0	(357,591)
Other Local					5,377,962	0	5,377,962
Operating Transfer					643,877	(643,877)	0
Total					<u>\$ 102,198,685</u>	<u>\$ (520,623)</u>	<u>\$ 101,678,062</u>
Change in Net Position					14,043,851	936,624	14,980,475
Net Position – Beginning					64,415,553	(556,195)	63,859,358
Net Position - Ending					<u>\$ 78,459,404</u>	<u>\$ 380,429</u>	<u>\$ 78,839,833</u>

See independent auditor's report and accompanying notes to the financial statement.

**PIKE COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025**

	General Fund	Special Revenue	Construction Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Fund
ASSETS AND RESOURCES						
Cash and Cash Equivalents	\$ 25,046,051	\$ 0	\$ 17,329,821	\$ 0	\$ 1,544,415	\$ 43,920,287
Accounts Receivable	1,014,529	6,173,261	0	0	3,598	7,191,388
Amounts held by Fiscal Agents	0	0	0	2,380,768	0	2,380,768
Due From Other Funds	5,148,055	0	0	0	0	5,148,055
Total Assets and Resources	<u>\$ 31,208,635</u>	<u>\$ 6,173,261</u>	<u>\$ 17,329,821</u>	<u>\$ 2,380,768</u>	<u>\$ 1,548,013</u>	<u>\$ 58,640,498</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts Payable	\$ 753,067	\$ 193,003	\$ 167,899	\$ 0	\$ 33,466	\$ 1,147,435
Summer Payrolls	3,197,595	0	0	0	0	3,197,595
Due to Other Funds	0	4,840,870	307,184	0	0	5,148,054
Other Liabilities	15,579	171,881	0	0	0	187,460
Total Liabilities	<u>\$ 3,966,241</u>	<u>\$ 5,205,754</u>	<u>\$ 475,083</u>	<u>\$ 0</u>	<u>\$ 33,466</u>	<u>\$ 9,680,544</u>
Deferred Inflows of Resources						
Deferred Revenue	\$ 0	\$ 967,507	\$ 0	\$ 0	\$ 0	967,507
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 967,507</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 967,507</u>
Fund Balance						
Restricted:						
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,514,547	\$ 1,514,547
Future Construction	0	0	15,960,537	0	0	15,960,537
Debt Service	0	0	0	2,380,768	0	2,380,768
Committed:						
Site Based Carryforward	169,632	0	0	0	0	169,632
Sick-leave	584,000	0	0	0	0	584,000
Worker's Compensation	1,100,000	0	0	0	0	1,100,000
Assigned:						
Purchase Obligations	422,078	0	0	0	0	422,078
Unassigned	24,966,684	0	894,201	0	0	25,860,885
Total Fund Balance	<u>\$ 27,242,394</u>	<u>\$ 0</u>	<u>\$ 16,854,738</u>	<u>\$ 2,380,768</u>	<u>\$ 1,514,547</u>	<u>\$ 47,992,447</u>
Total Liabilities and Fund Balance	<u>\$ 31,208,635</u>	<u>\$ 6,173,261</u>	<u>\$ 17,329,821</u>	<u>\$ 2,380,768</u>	<u>\$ 1,548,013</u>	<u>\$ 58,640,498</u>

See independent auditor's report and accompanying notes to the financial statement.

**PIKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Fund balance per fund financial statements	\$ 47,992,447
Amounts reported for governmental activities in the statement of Net Positions are different because:	
Capital assets and construction in progress are not reported in this funds financial statement because they are not current financial resources, but they are reported in the statement of Net Positions.	170,320,800
GASB Statement No. 87, Leases, the objective of which is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.	
Lease Asset	945,205
Amortization of Lease Asset	(607,671)
Lease Obligation	(3,533,378)
Deferred outflows of resources are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net position	15,378,819
Deferred inflows of resources are not reported in the fund financial statement because they are not due and payable, but they are presented in the statement of net position	(24,787,911)
Certain liabilities (such as bonds payable, compensated absences, KSBIT liability) are not reported in this funds financial statement because they are not due and payable, but they are presented in the statement of Net Positions.	
Sick Leave	(3,891,121)
Capital Leases payable	0
Accrued Interest on Bonds	(504,789)
KISBIT	0
Pension Liability	(26,097,597)
OPEB Liabilities-TRS	(9,851,000)
OPEB Asset	755,600
Bonds	(87,660,000)
Net Position for Governmental Activities	<u>\$ 78,459,404</u>

See independent auditor's report and accompanying notes to the financial statement.

PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Construction Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Fund</u>
REVENUES						
From Local Sources						
Taxation						
Property	\$ 13,977,895	\$ 0	\$ 0	\$ 0	\$ 2,441,596	\$ 16,419,491
Motor Vehicles	2,830,265	0	0	0	0	2,830,265
Utilities	3,927,227	0	0	0	0	3,927,227
Other	15,795	0	0	0	0	15,795
Earnings on Investments	1,371,641	0	894,201	0	0	2,265,842
Other Local Revenues	624,999	586,999	57,349	0	4,118,615	5,387,962
Intergovernmental- State	58,847,684	3,313,282	0	2,976,945	6,477,149	71,615,060
Intergovernmental-Federal	224,767	23,951,282	0	0	0	24,176,049
Total Revenues	<u>\$ 81,820,273</u>	<u>\$ 27,851,563</u>	<u>\$ 951,550</u>	<u>\$ 2,976,945</u>	<u>\$ 13,037,360</u>	<u>\$ 126,637,691</u>
EXPENDITURES						
Instruction	\$ 40,953,669	\$ 13,597,029	\$ 0	\$ 0	\$ 3,897,832	\$ 58,448,530
Support Services						
Student	4,946,476	374,292	0	0	0	5,320,768
Instruction Staff	3,212,579	2,096,294	0	0	6,703	5,315,576
District Administrative	3,111,865	0	0	0	0	3,111,865
School Administrative	4,973,338	0	0	0	21,275	4,994,613
Business	1,433,983	259,439	0	0	0	1,693,422
Plant Operation and Maint.	15,429,266	217,434	0	0	19,899	15,666,599
Student Transportation	8,657,059	464,295	0	0	0	9,121,354
Community Services	271,179	1,745,178	0	0	0	2,016,357
Facilities Acquisitions and Construction	218,094	57,500	606,488	0	0	882,082
Site Improvement	0	0	30,431	0	0	30,431
Building Improvements	194,775	0	9,149,492	0	0	9,344,267
Debt Service						
Principal	527,445	0	0	7,680,000	0	8,207,445
Interest	0	0	0	2,382,808	0	2,382,808
Total Expenditures	<u>\$ 83,929,728</u>	<u>\$ 18,811,461</u>	<u>\$ 9,786,411</u>	<u>\$ 10,062,808</u>	<u>\$ 3,945,709</u>	<u>\$ 126,536,117</u>
Excess (Deficit) of Revenues over Expenditures	<u>\$ (2,109,455)</u>	<u>\$ 9,040,102</u>	<u>\$ (8,834,861)</u>	<u>\$ (7,085,863)</u>	<u>\$ 9,091,651</u>	<u>\$ 101,574</u>
Other Financing Sources (Uses)						
Proceeds from Capital Leases	\$ 959,128	\$ 0	\$ 0	\$ 0	\$ 0	\$ 959,128
Proceeds from Sales of Fixed Assets	51,472	0	0	0	0	51,472
Operating Transfer, In	2,283,426	130,907	9,718,554	7,085,863	215,534	19,434,284
Operating Transfer, Out	(387,316)	(9,171,009)	(97,803)	0	(9,134,279)	(18,790,407)
Total Other Financing Sources	<u>\$ 2,906,710</u>	<u>\$ (9,040,102)</u>	<u>\$ 9,620,751</u>	<u>\$ 7,085,863</u>	<u>\$ (8,918,745)</u>	<u>\$ 1,654,477</u>
Net Change in Fund Balance	<u>\$ 797,255</u>	<u>\$ 0</u>	<u>\$ 785,890</u>	<u>\$ 0</u>	<u>\$ 172,906</u>	<u>\$ 1,756,051</u>
Fund Balance - Beginning	<u>26,445,139</u>	<u>0</u>	<u>16,068,848</u>	<u>2,380,768</u>	<u>1,341,641</u>	<u>46,236,396</u>
Fund Balance - Ending	<u>\$ 27,242,394</u>	<u>\$ 0</u>	<u>\$ 16,854,738</u>	<u>\$ 2,380,768</u>	<u>\$ 1,514,547</u>	<u>\$ 47,992,447</u>

See independent auditor's report and accompanying notes to the financial statement.

**PIKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net change in total fund balances per fund financial statements	\$ 1,756,051
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in this funds financial statement because they use current financial resources, but they are presented as assets in the statement of position and depreciated over their estimated economic lives.	1,858,218
Cost of Assets Disposed	(409,063)
The cost of capital assets is allocated over their useful lives and reported as depreciation expense.	(7,008,224)
Proceeds from capital leases are reported as financing source in governmental funds end thus contributes to the change in fund balance. In the statement of Net Positions, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of Net Positions.	(959,128)
Bond payments are recognized as expenditures of current financial resources in the fund financial statements but are reductions of liabilities in the statement of financial position	7,155,000
Capital lease payments are recognized as expenditures of current financial resources in the fund financial statements but are reductions of liabilities in the statement of financial position	452,787
Interest Payable	53,776
Lease Obligation: GASB Statement No. 87, Leases, the objective of which is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.	
Additional Leases	(57,447)
Lease Payments Principal	
Amortization of Lease Asset	
In the statement of activities certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used. These accrued expenses paid exceeded the amounts earned.	
Accrued Sick Leave	48,140
Pension Expense	6,909,094
Other Post Employment Benefits (OPEB) - TRS	1,699,177
Other Post Employment Benefits (OPEB) - CERS	2,545,470
Change in net Position of governmental activities	<u>\$ 14,043,851</u>

See independent auditor's report and accompanying notes to the financial statement.

PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2025

	<u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,917,136
Accounts Receivable	1,163,961
Total Current Assets	<u>\$ 3,278,892</u>
Capital Assets-net of depreciation	52,521
Total Assets	<u><u>\$ 3,331,413</u></u>
Deferred Outflows of Resources	
Deferred outflows from Pension	\$ 571,134
Deferred outflows from OPEB	199,044
	<u>\$ 770,178</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 162,816
OPEB Liability - Long-Term	66,606
Pension Liability - Long Term	2,300,505
Total Current Liabilities	<u>\$ 2,529,927</u>
Deferred Inflows of Resources	
Deferred inflows from pension	\$ 530,309
Deferred inflows from OPEB	794,138
	<u>\$ 1,324,447</u>
Net Position	
Investment in Capital Asset, Net of Debt	\$ 52,521
Restricted	194,696
Unrestricted	0
Total Net Position	<u><u>\$ 247,217</u></u>

See independent auditor's report and accompanying notes to the financial statement.

PIKE COUNTY BOARD OF EDUCATION

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Food Service</u>
OPERATING REVENUES:	
Lunchroom Sales	\$ 186,396
 TOTAL OPERATING REVENUES	 <u>\$ 186,396</u>
OPERATING EXPENSES:	
Salaries and Wages	\$ 2,167,675
Contract Services	44,256
Materials and Supplies	6,381,438
Depreciation	16,883
 TOTAL OPERATING EXPENSES	 <u>\$ 8,610,252</u>
Operating Income (Loss)	<u>\$ (8,423,856)</u>
 NON-OPERATING REVENUES (EXPENSES)	
Federal Grants	\$ 7,420,739
State Grants	42,003
On Behalf of Payments	1,892,417
Donated Commodities	454,524
Interest Income	123,254
Interest Expense	(61,792)
NON-OPERATING REVENUES (EXPENSES)	<u>\$ 9,871,145</u>
 Net Income (Loss) Before Operating Transfers	 \$ 1,447,289
 Operating Transfers	 (643,877)
 Increase in net position	 <u>\$ 803,412</u>
 Net Position - Beginning	 (556,195)
 Net Position - Ending	 <u><u>\$ 247,217</u></u>

See independent auditor's report and accompanying notes to the financial statement.

**PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from:	
Lunchroom Sales	\$ 186,396
Cash Paid to/for:	
Employees	(3,288,435)
Contract Service	(44,256)
Supplies	(3,952,113)
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,098,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of Interest Income	\$ 123,254
Net Cash Provided (Used) by Investing Activities	<u>\$ 123,254</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Equipment	\$ (17,807)
Transfers to other funds	(643,877)
Interest Paid	(61,792)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (723,476)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES	
Operational Grants	<u>\$ 6,314,376</u>
Net Cash Provided(Used) by Financing Activities	<u>\$ 6,314,376</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (1,384,254)
Cash and Cash Equivalents - Beginning	3,301,390
Cash and Cash Equivalents - Ending	<u><u>\$ 1,917,136</u></u>
Reconciliation of Operating Income (Loss)	
To Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (8,423,856)
Adjustments to Reconcile Operating Income to Net Cash	
Operating Activities:	
Depreciation	16,883
On Behalf of Payments	1,892,417
Commodities Used	454,524
Change in Assets and Liabilities:	
(Increase) Decrease	
Inventory	38,972
Deferred outflows	514,586
Increase (Decrease) in:	
Accounts Payable	43,412
Deferred inflows	(799,227)
OPEB Asset	64,030
OPEB liability	66,606
Pension liability	(966,755)
Other	0
Net Cash provided (Used) by Operating Activities	<u><u>\$ (7,098,408)</u></u>
Schedule of Non Cash Transactions:	
On Behalf of Payments	\$ 1,892,419
Donated Commodities Received From Federal Government	454,524

See independent auditor's report and accompanying notes to the financial statement.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – REPORTING ENTITY

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

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

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

Based on the foregoing criteria, the financial statements of the following organization is included in the accompanying financial statements.

Pike County Board of Education Finance Corporation-Board of Education has the Pike County Board of Education Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board Members of the Pike 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 primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

The 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.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

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

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

a. **Governmental Fund Types**

The **General Fund** is the primary operating fund of the Board. It accounts for and reports all financial resources not accounted for and reported in another fund. This is a budgeted fund, and any unrestricted fund balances are considered as resources available for use.

The **Special Revenue Fund (Grant Funds)** accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant program. 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 Federal Financial Assistance included in this report.

The **School Activity Funds** are Special Revenue Funds and accounts for activities of student groups and other types of activities. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.

The **District Activity Fund** was used to receipt and expend non-student generated funds from the schools. Schools send non-student generated funds on a monthly basis that are then expended on items such as athletics, instruction, building & grounds, etc. Any unused funds are carried over to the next year and reallocated to the schools.

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

1. The **Support Education Excellence in Kentucky (seek) Capital Outlay Fund** receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the district's facility plan.
2. The **Facility Support Program (FSPK) Fund** accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable, funds may be used for projects identified in the district's facility plan.
3. The **Technology Fund** accounts for Kentucky Education Technology System allocation and local district matching funds restricted for the purchase of technology consistent with the District's approved technology plan.
4. The **Construction Fund** includes Capital Projects Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

BASIS OF PRESENTATION (Continued)

b. Proprietary Fund Type

The School Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with U.S. Department of Agriculture (USDA). \$454,524 has been recorded for in-kind contribution of commodities from the USDA, but commodities are identified in the Schedule of Federal Financial Assistance included in this report. The measurement focus is upon the determination of net income. This is a major fund of the District.

c. Fiduciary Fund Type

Fiduciary Funds are used to account for assets that are held in trust for others. These are the funds that are held by the government as a trustee. They are held on behalf of others, and therefore, they cannot be used to fund the government's own expenses.

d. Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds are used to report sources if legally mandated. Financial sources that are being accumulated for principal and interest maturing in future years are reported in debt service funds.

BASIS OF ACCOUNTING

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

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all 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 resource is required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from non-exchange transactions must also be available before it can be recognized.

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

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING

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

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

Deferred Outflow of Resources - A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. The Board's deferred outflows for the government wide financials include the board's current year retirement contributions for pension expenses that will impact future reporting periods.

Deferred Inflow of Resources - A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. Deferred inflows for the government wide financials include the proportionate share of the Board's net difference between projected and actual investment earnings and the differences between the employer contributions and proportionate share of contributions.

Restricted Resources- Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. If an expense is incurred for purposes for which committed, assigned and unassigned fund balances are all available, the fund balances should be reduced in the following order; committed, assigned and then unassigned.

TAXES

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

The property tax rates assessed for the year ended June 30, 2025 to finance the General Fund operations were \$.861 per: \$100 valuation for real property, \$.861 per \$100 valuation for business personal property and \$.553 per \$100 valuation for motor vehicles.

Utility Tax Revenues - The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the county, of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial and mixed gas.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 one thousand dollars with exception of computer, 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 assets life are not.

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 fund capital assets and proprietary fund assets:

Description	Governmental Activities Estimated Lives
Buildings and Improvements	25-50 years
Land Improvements	20 years
Technology Equipment	5 years
Vehicles	5-10 years
Audio-Visual Equipment	15 years
Food Service Equipment	12 years
Furniture and Equipment	20 years
Rolling Stock	15 years
Other	10 years

LEASES

The District adopted GASB Statement No. 87, Leases, during the fiscal year ended June 30, 2022. The District is a lessee for various noncancellable leases of equipment and vehicles.

Short-Term Leases - For leases with a maximum possible term of 12 months or less at commencement, the District recognizes expense/expenditure based on the provisions of the lease contract.

Leases Other than Short-Term - For all other leases, the District recognizes a lease liability and an intangible right-to-use lease asset in the applicable columns of the District-wide (governmental or business-type activities) and proprietary fund financial statements.

Measurement of Lease Amounts - At lease commencement, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into depreciation and amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the District is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES

Key Estimates and Judgments - Key estimates and judgments include how the District determines (1) the discount rate it uses to calculate the present value of the expected lease payments, (2) lease term, and (3) lease payments.

- The District generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor charges is known.

- The lease term includes the noncancellable period of the lease plus any additional periods covered by either the District or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Period in which both the District and the lessor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease term.

- Payments are evaluated by the District to determine if they should be included in the measurement of the lease liability, including those payments that require a determination of whether they are reasonably certain of being made.

Remeasurement of Lease Amounts - The District monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured, and a corresponding adjustment is made to the lease asset.

Presentation in Statement of Net Position Lease assets are reported with capital assets and lease liabilities are reported with long-term debt in the statement of net position.

INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as “inter-fund receivables/payables”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the residual amounts due between government and business-type activities, which are presented as internal balances. Inter-fund receivables/payables as of June 30, 2025 are as follows:

<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
Special Revenue Fund	General Fund	Operations	\$ 4,840,870
Construction Fund	General Fund	Capital Outlay	307,184
Total			<u>5,148,054</u>

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETARY PROCESS

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

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

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

Inventory – Supplies and materials are charged to expenditures when purchased.

Inventory proprietary - Inventories are stated at lower of cost or market.

Encumbrances – Encumbrances are reported as an assignment of the fund balance. They are not reported as disbursements until paid. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrance at year-end are re-appropriated in the next year. An assignment of fund balance equal to outstanding encumbrances, at year-end is provided for at June 30, 2025. Accordingly, no differences exist between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

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

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

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Reserves – The District has elected to adopt GASB statement 54 for financial statement reporting. The following lists the terminology used to describe components of the fund balances:

Non-spendable	Permanently non-spendable by the decree of the donor or items which may not be used for another purpose.
Restricted	Legally restricted under federal or state law, bond authority, or grantor contract.
Committed	Commitments passed by the board.
Assigned	Funds assigned to management priority-encumbrances.
Unassigned	Funds available for future operations.

Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board of Education, those revenues are primarily charges for meals provided by the various schools.

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.

Inter-fund 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 inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Deferred Revenue – Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received, they are recorded as deferred revenue until earned. Property tax and other governmental fund financial resource increments (i.e. bond issue proceeds) are recognized in the accounting period in which they become susceptible to accrual: that is when they become both measurable and available to finance expenditures of the fiscal period.

NOTE 3 – NET POSITION

Net position is classified into four categories according to external donor restrictions or availability of assets for satisfaction of Board obligations. The Board's net position is classified as follows:

Invested in capital assets, net of related debt - This represents the Board's total investment in capital assets, net of accumulated depreciation and reduced by the balances of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested capital assets, net of related debt.

Restricted net position, expendable - This includes resources in which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including grantors, donors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – NET POSITION (Continued)

Restricted net position, nonexpendable - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. The Board does not have any restricted nonexpendable assets at June 30, 2025.

Unrestricted net position - This represents resources derived from other than capital assets or restricted net position. These resources are used for transactions relating to the general operation of the Board and may be used at the discretion of the Board to meet current expenses for any lawful purpose.

NOTE 4 – RESTRICTED NET POSITION:

For the district-wide Statement of Net Position, net position is reported as restricted when constraints placed on its use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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. In other funds, any negative fund balances would be unassigned.

NOTE 5 – ESTIMATES

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

Note 6 - RECEIVABLES

The District recognizes revenues as receivable when they are measurable and receipt is certain. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions. While the District receives revenues from many different sources throughout the year, the accounts and grants receivable from outside sources may be grouped into the following categories:

Accounts and Grants Receivable from outside sources	Governmental Activities / Governmental Funds	Business Type Activities / Proprietary Fund	Total
Accounts Receivable	\$ 1,014,529	\$ 1,163,961	\$ 2,178,490
District Activity	0	0	0
School Activity	3,598	0	3,598
Grants Receivable	6,173,261	0	6,173,261
	<u>\$ 7,191,388</u>	<u>\$ 1,163,961</u>	<u>\$ 8,355,349</u>

Federal and state grants to be used or expended as specified by the grantor are recognized as revenue and recorded as receivables when qualifying expenditures are incurred.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – CASH AND CASH EQUIVALENTS

At year-end, the carrying amount of the Board's cash and cash equivalents was \$44,493,222, and the bank balance, per statements, was \$48,202,190. Of the total cash balance, \$500,000 was covered by Federal Depository Insurance with the remainder covered by collateral held by third party bank in the Board's name.

General Fund, cash and cash equivalents at June 30, 2025 consist of the following:

Breakdown By Bank:	<u>Bank Balance</u>
Community Trust Bank	\$ 48,202,190
Total Bank Balance	<u>\$ 48,202,190</u>
	<u>Book Balance</u>
Breakdown per financial Statements:	
Governmental Funds	\$ 44,936,835
Proprietary Funds	6,387
Total Book Balance	<u>\$ 44,943,222</u>
The securities pledged as collateral are:	
FHLB Letter of Credit-Community Trust Bank	\$ 51,456,000
Other Securities	0
FDIC	500,000
Total collateral pledged	<u>\$ 51,956,000</u>

NOTE 8 – DEPOSITS AND INVESTMENTS

Interest rate risk - In accordance with the District's investment policy, interest rate risk is limited by investing in public funds with the highest rate of return with the maximum of security of principal.

Credit risk - The district's investment policy limits the types of authorized investment instruments to obligations of the United States, its agencies, and instrumentalities. In addition, certificates of deposit or bonds of a bank or the Commonwealth of Kentucky, securities issued by a state or local government or shares of mutual funds are acceptable investments.

Concentration of credit risk- The District may invest, at any one time, funds in any one of the above listed categories with no limitation on the total amount of funds invested on behalf of the District.

Custodial credit risk - deposits. For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned. The District maintains deposits with financial institutions insured by the Federal Deposit Insurance Corporation. As allowed by law the depository bank should pledge securities along with FDIC insurance at least equal to the amount on deposit at all times. As of June 30 2025, the District's deposits are entirely insured and/or collateralized with securities held by the financial institutions on the District's behalf and the FDIC insurance.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	7/1/2024	Additions	Deductions	6/30/2025
Land	\$ 9,641,518	\$ 0	\$ 0	\$ 9,641,518
Total Non Depreciable	\$ 9,641,518	\$ 0	\$ 0	\$ 9,641,518
Land improvements	\$ 17,202,580	\$ 0	\$ 0	\$ 17,202,580
Buildings	243,102,279	0	0	243,102,279
Technology equipment	10,416,914	556,385	491,572	10,481,727
Vehicles	19,141,495	1,201,786	2,569,454	17,773,827
General equipment	4,258,094	100,047	0	4,358,141
Infrastructure	89,638	0	0	89,638
Construction in progress	7,749,690	0	0	7,749,690
Total Depreciable	\$ 301,960,690	\$ 1,858,218	\$ 3,061,026	\$ 300,757,882
Total at historical cost	\$ 311,602,208			\$ 310,399,400
Less: Accumulated depreciation				
Land improvements	\$ 10,977,685	\$ 434,475	\$ 0	\$ 11,412,160
Buildings	99,327,210	5,289,163	0	104,616,373
Technology equipment	8,091,874	429,511	97,349	8,424,036
Vehicles	13,598,466	736,773	2,554,614	11,780,625
General equipment	3,655,021	113,820	0	3,768,841
Infrastructure	72,084	4,482	0	76,566
Total accumulated depreciation	\$ 135,722,340	\$ 7,008,224	\$ 2,651,963	\$ 140,078,601
Governmental Activities				
Capital Assets-net	\$ 175,879,868			\$ 170,320,799
<u>Business-Type Activities</u>	7/1/2024	Additions	Deductions	6/30/2025
Technology equipment	\$ 95,510	\$ 0	\$ 0	\$ 95,510
Vehicles	62,506	0	0	62,506
General equipment	2,330,259	0	0	2,330,259
Total at historical cost	\$ 2,488,275	\$ 0	\$ 0	\$ 2,488,275
Less: Accumulated depreciation				
Technology equipment	\$ 84,879	\$ 0	\$ 0	\$ 84,879
Vehicles	62,506	0	0	62,506
General equipment	2,271,486	16,883	0	2,288,369
Total accumulated depreciation	\$ 2,418,871	\$ 16,883	\$ 0	\$ 2,435,754
Business-Type Activities				
Capital Assets-net	\$ 69,404			\$ 52,521

Depreciation expense was allocated to governmental functions.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – GASB 68 AND 71

In March 2009, the Governmental Accounting Standards Board (GASB) approved Statement No. 68, Accounting and Financial Reporting for Pensions. Statement 68 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. In November 2013, the GASB approved Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of the statement were adopted by the District for the fiscal year beginning July 1, 2014.

NOTE 11 - CONTINGENCIES

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

NOTE 12 –RISK MANAGEMENT/INSURANCE

The District is exposed to various forms of loss of assets associated with the risks of fire, personal, liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. The District has purchased a builders' risk policy and flood insurance through commercial insurance. The District is self-insured for Worker's Compensation, property, general liability, auto liability, school board liability and crime. However, the District purchases commercial insurance for additional coverage for these areas of self-insurance.

NOTE 13 - LITIGATION

The Board is subject to legal actions in various stages of litigation, the outcome of which is not determinable at this time. The Administration and Board Attorney do not anticipate any of the current cases to result in any significant losses or have any material effect on the financial statements, therefore no liability has been recorded.

NOTE 14 - DEFICITS

The following funds have operations that resulted in a current year deficit of expenditures over revenue resulting in corresponding reduction of fund balance: No Funds had deficits.

NOTE 15 - COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. Failure to comply with the requirements may put the Board of Education at risk for a substantial loss contingency. The District notifies the Department of Insurance (DEI) when an employee is no longer employed. DEI send the employee the COBRA requirements.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16- TRANSFER OF FUNDS

The following transfers were made during the year:

Type	From Fund		To Fund		Purpose	Amount
Operating	General	1	Special Revenue	2	Matching	\$ 130,907
Operating	General	1	Construction	360	capital Outlay	256,409
Operating	Special Revenue	2	General	1	Indirect Costs	114,202
Operating	Special Revenue	2	Construction	360	capital Outlay	9,056,807
Operating	District Activity	21	Student Activity	25	Operating	215,535
Operating	Capital Outlay	310	General	1	Operating	680,301
Operating	Building	320	General	1	Operating	845,046
Operating	Building	320	Construction	360	capital Outlay	307,535
Operating	Building	320	Debt Service	400	Bond Payment	7,085,863
Operating	Food Service	51	General	1	Indirect Costs	643,877
						<u>\$ 19,336,482</u>

NOTE 17 - ON BEHALF OF PAYMENTS

The financial statements include payments made by the Commonwealth of Kentucky for insurance, flexible spending, vocational and retirement benefits. The following amounts are included in each of the functions.

KTRS	\$ 9,228,784
KTRS OPEB	842,015
Health Insurance	10,906,345
Life Insurance	15,143
Administrative Fees	121,080
Health Reimbursement Account	704,200
Federal Reimbursement	(1,271,305)
Technology	112,184
Debt Service	2,976,945
Total On-Behalf Payments	<u>\$ 23,635,391</u>
General Fund	18,766,027
Debt Service	2,976,945
Food Service	1,892,419
Total On-Behalf Payments	<u>\$ 23,635,391</u>

NOTE 18 – SUBSEQUENT EVENTS

Subsequent events were considered through December 19, 2025, which represents the date of our report.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - Future Accounting Pronouncements

The GASB has issued several reporting standards that became effective for fiscal 2025 and later years' financial statements.

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. This Statement also addresses certain application issues. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104, Disclosure of Certain Capital Assets, State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. Effective for fiscal years beginning after June 15, 2025.

PIKE COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 20 - LEASE OBLIGATIONS

The Board has implemented GASB Statement No. 87, Leases, the objective of which is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Year	<u>Total</u>			<u>Office Equipment</u>			<u>Busses</u>		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 525,218	\$ 112,562	\$ 637,780	\$ 123,972	\$ 13,716	\$ 137,688	\$ 401,246	\$ 98,846	\$ 500,092
2027	490,277	99,054	589,331	85,846	9,530	95,376	404,431	89,524	493,955
2028	472,710	83,566	556,276	70,185	6,075	76,260	402,525	77,491	480,016
2029	463,461	68,450	531,911	58,274	2,935	61,209	405,187	65,515	470,702
2030	429,834	53,927	483,761	25,947	600	26,547	403,887	53,327	457,214
2031-2035	1,151,878	101,124	1,253,002	0	0	0	1,151,878	101,124	1,253,002
	<u>\$ 3,533,378</u>	<u>\$ 518,683</u>	<u>\$ 4,052,061</u>	<u>\$ 364,224</u>	<u>\$ 32,856</u>	<u>\$ 397,080</u>	<u>\$ 3,169,154</u>	<u>\$ 485,827</u>	<u>\$ 3,654,981</u>

A summary of changes in the related lease liabilities during the year ended June 30, 2025, is as follows:

Governmental Activities:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Remeasure- ments</u>	<u>Reductions</u>	<u>Balance End of Year</u>	<u>Amounts Due at End of one Year</u>
Lease Liabilities:						
Buses	\$ 2,662,813	\$ 1,033,786	\$ 0	\$ 527,445	\$ 3,169,154	\$ 401,246
Equipment	215,077	307,782	0	158,634	364,225	123,972
Total Lease Liabilities	<u>\$ 2,877,890</u>	<u>\$ 1,341,568</u>	<u>\$ 0</u>	<u>\$ 686,079</u>	<u>\$ 3,533,379</u>	<u>\$ 525,218</u>

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 21 – BONDED DEBT OBLIGATIONS

The amounts shown in the accompanying financial statements as lease obligations represent the Board's future obligations to make lease payments relating to the bonds issued aggregating \$87,660,000. The School Building Revenue Bonds are collateralized primarily by the education facilities constructed. Management has indicated that the District is in compliance with all significant limitations and restrictions as of June 30, 2025

The original amount of the issues, issue dates and interest rates are shown below:

Issue Date	Proceeds	Rates			Balance June 30, 2025
November 1, 2011	\$ 11,000,000	4.62%			\$ 11,000,000
June 1, 2014	8,350,000	2.00%	-	4.00%	6,135,000
June 1, 2015	3,650,000	2.00%	-	4.00%	2,960,000
September 1, 2015	7,505,000	0.60%	-	3.70%	6,555,000
February 1, 2016	11,690,000	0.75%	-	2.50%	4,590,000
February 1, 2016	20,885,000	0.75%	-	3.15%	18,945,000
August 1, 2016	19,400,000	1.00%	-	3.00%	12,915,000
March 1, 2018	3,530,000	3.60%			3,225,000
September 1, 2018	1,940,000	1.90%	-	3.38%	1,155,000
July 29, 2020	9,300,000	2.00%			520,000
October 22, 2020	21,500,000	1.75%			15,980,000
July 7, 2021	845,000	1.00%	-	1.40%	605,000
June 9, 2022	3,920,000	2.50%	-	4.10%	3,075,000
					<u><u>\$ 87,660,000</u></u>

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

The district has also entered into "participation agreement" with the School Facility Construction Commission. The Kentucky General Assembly for the purpose of assisting local Board of Educations in meeting school construction needs created the commission. The table below sets forth the amount to be paid by the district each year until maturity of all bond issues.

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 21 – BONDED DEBT OBLIGATIONS (Concluded)

Assuming the issues are not called prior to scheduled maturity, the minimum obligations of the funds at June 30, 2025, for debt service, (principal and interest) are as follows:

	Pike County Board of Education			Kentucky Construction Commission				
	Local Principal Total	Local Interest Total	Sinking Fund	KSFCC Principal Total	KSFCC Interest Total	Sinking Fund*	Federal Rebate	Total
2025 - 2026	\$ 5,279,361	\$ 1,685,133	\$ 94,704	\$ 2,055,639	\$ 486,586	\$ 389,165	\$ 508,200	\$ 10,498,788
2026 - 2027	5,425,719	1,524,504	95,403	2,124,281	422,121	388,465	508,200	10,488,693
2027 - 2028	5,586,083	1,367,487	95,831	1,858,917	371,925	388,037	508,200	10,176,480
2028 - 2029	5,725,852	1,208,603	95,985	1,394,148	331,241	387,884	508,200	9,651,913
2029 - 2030	5,886,632	1,052,399	90,542	1,398,368	296,129	393,326	508,200	9,625,596
2030 - 2031	6,061,828	889,313	78,077	1,353,172	259,630	391,308	254,100	9,287,428
2031 - 2032	6,287,170	730,395	0	1,387,830	222,783	0	0	8,628,178
2032 - 2033	4,192,108	587,855	0	1,427,892	183,435	0	0	6,391,290
2033 - 2034	4,331,199	448,038	0	1,468,801	141,039	0	0	6,389,077
2034 - 2035	4,094,725	302,758	0	1,330,275	97,345	0	0	5,825,103
2035 - 2036	3,825,387	167,851	0	1,369,613	58,124	0	0	5,420,975
2036 - 2037	559,711	61,156	0	1,090,289	19,744	0	0	1,730,900
2037 - 2038	577,600	40,992	0	62,400	2,184	0	0	683,176
2038 - 2039	120,000	27,900	0	0	0	0	0	147,900
2039 - 2040	125,000	12,900	0	0	0	0	0	137,900
2040 - 2041	130,000	7,800	0	0	0	0	0	137,800
2041 - 2042	130,000	2,600	0	0	0	0	0	132,600
	<u>\$ 58,338,375</u>	<u>\$ 10,117,684</u>	<u>\$ 550,542</u>	<u>\$ 18,321,625</u>	<u>\$ 2,892,286</u>	<u>\$ 2,338,185</u>	<u>\$ 2,795,100</u>	<u>\$ 95,353,797</u>

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 22 – LONG TERM DEBT SUMMARY

	Beginning Balance	Additions	Reductions	Ending Balance
Bonds	\$ 94,815,000	\$ 0	\$ 7,155,000	\$ 87,660,000
Sick Leave	3,939,261	365,667	413,807	3,891,121
Lease Liabilities:				
Buses	2,662,813	1,033,786	527,445	3,169,154
Equipment	215,077	307,782	158,634	364,225
Total	<u>\$ 101,632,151</u>	<u>\$ 1,707,235</u>	<u>\$ 8,254,886</u>	<u>\$ 95,084,500</u>

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 23 – ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the sick leave payable account in the general fund. The non-current portion of the liability is not recorded.

At June 30, 2025, this amount totaled \$3,891,121 of which \$584,000 is committed in the current year fund balance of the General Fund.

NOTE 24 – GASB 68 AND 71

In March 2009, the Governmental Accounting Standards Board (GASB) approved Statement No. 68, Accounting and Financial Reporting for Pensions. Statement 68 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. In November 2013, the GASB approved Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of the statement were adopted by the District for the fiscal year beginning July 1, 2014.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 25 – RETIREMENT PLANS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Payroll	\$ 66,121,795	\$ 63,405,647	\$ 61,868,907	\$ 58,996,953	\$ 65,611,014	\$ 50,161,850	\$ 57,047,286	\$ 56,424,855	\$ 55,835,533	\$ 54,017,948
KTRS Total Payroll	39,006,897	39,345,151	38,411,047	37,621,763	42,435,552	31,871,005	37,105,911	36,809,662	38,195,439	34,181,498
KTRS Contribution - Employee Portion	5,066,186	4,969,688	4,953,632	4,838,377	5,455,086	4,088,092	4,769,967	4,731,682	4,909,951	5,012,018
KTRS Contribution - District Portion	1,775,127	2,198,264	2,092,411	1,738,471	1,959,875	1,436,783	1,610,155	1,495,235	1,557,017	1,567,395
KTRS Contribution- Commonwealth of Kentucky (on behalf of Payments)	9,228,784	9,690,965	15,950,844	10,802,392	10,525,964	11,010,813	10,417,762	11,103,259	5,819,247	5,863,960
KTRS Contribution - District Federal Employees	588,764	1,012,780	903,703	922,880	844,021	579,754	610,743	480,450	505,378	488,764
CERS Total Payroll	27,114,898	24,060,496	23,457,860	21,375,190	23,175,462	18,290,845	19,941,375	19,615,193	17,640,094	19,050,950
Contributions CERS Requirement for CERS	4,212,913	4,394,496	4,771,355	4,490,949	4,533,068	3,682,772	3,770,154	3,492,697	3,136,162	3,269,302
CERS Contribution - Employee Portion	920,302	835,763	824,031	762,265	844,903	681,915	751,654	759,539	692,392	772,067
CERS Contribution - District Portion	3,292,611	3,558,733	3,947,325	3,728,683	3,688,165	3,000,858	3,018,500	2,733,158	2,443,771	2,497,234
KTRS Total Payroll-- --PLUS--CERS Total Payroll	66,121,795	63,405,647	61,868,907	58,996,953	65,611,014	50,161,850	57,047,286	56,424,855	55,835,533	53,232,448
KTRS Contribution - --PLUS--CERS Contribution - Employee Portion	5,986,488	5,805,451	5,777,663	5,600,642	6,299,989	4,770,007	5,521,621	5,491,221	5,602,343	5,784,085
KTRS Contribution - --PLUS--CERS Contribution - District Portion	5,067,738	5,756,997	6,039,736	5,467,154	5,648,040	4,437,641	4,628,655	4,228,393	4,000,788	4,064,629

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 26 – RETIREMENT PLAN- Teachers' Retirement System of the State of Kentucky (KTRS)

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

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

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

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

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

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

Contributions - Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university members are required to contribute 12.855% of their salaries to the System.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions of the amount 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. University employers contribute 15.865% of salaries of members.

For local school district and regional cooperative members whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 26 – RETIREMENT PLAN- Teachers' Retirement System of the State of Kentucky (KTRS)(Continued)

Medical Insurance Plan

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

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

Funding policy – In order to fund the post-retirement healthcare benefit, seven and one half percent (7.50%) of the gross annual payroll of members is contributed. Three percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

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

State's proportionate share of the net pension liability associated with the District	<u>\$141,988,471</u>
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The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2024, the District's proportion was 0.8636 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$9,228,784 and Revenue of \$9,228,784 for support provided by the state. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: None.

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

Inflation rate	2.50%
Projected salary increases	3.00 – 7.50%, including inflation
Investment rate of return	7.10%, net of pension plan investment expense, including inflation.
Municipal Bond Index Rate	
Prior Measurement Date	3.66%
Measurement Date	3.94%
Year FNP is projected to Deplete	N/A
Single Equivalent Interest Rate	
Prior Measurement Date	7.10%
Measurement Date	7.10%
Post-Retirement Benefit Increases	1.50% Annually

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 26 – RETIREMENT PLAN- Teachers' Retirement System of the State of Kentucky (KTRS)(Continued)

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The 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 target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by KTRS's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	35.40%	5.00%
Small Cap U.S. Equity	2.60%	5.50%
Developed International Equity	15.70%	5.50%
Emerging Markets Equity	5.30%	6.10%
Fixed Income	15.00%	1.90%
High Yield Bonds	2.00%	3.80%
Additional Categories	8.00%	3.60%
Real Estate	7.00%	3.20%
Private Equity	7.00%	8.00%
Cash	2.00%	1.60%
Total	<u>100.00%</u>	

Discount rate - The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. It was assumed that Plan member 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.

The following table presents the District's proportionate share of the net pension liability of the System, calculated using the discount rate of 7.10%, 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 (6.1%) or 1-percentage-point higher (8.10%) than the current rate (\$ thousands):

1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
\$187,540,350	\$141,988,471	\$107,589,344

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 26 – RETIREMENT PLAN- Teachers' Retirement System of the State of Kentucky (KTRS)(Continued)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued KTRS financial report.

June 30, 2023 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2024 using standard roll forward techniques. The procedure used to determine the TPL as of June 30, 2024 is shown on page 6 of the GASB 67 report for KTRS submitted on October 8, 2024.

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 27 - RETIREMENT PLAN - KENTUCKY RETIREMENT SYSTEM
County Employees Retirement System (CERS)**

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

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

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

Contributions: Funding for CERS is provided by members who contribute 5% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions and by employers of members who contribute 19.71% of the member's salary. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2024. An expected total pension liability as of June 30, 2023, was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2024. At June 30, 2025, the District's proportion was 0.474851%.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 27 - RETIREMENT PLAN - KENTUCKY RETIREMENT SYSTEM (Continued)
County Employees Retirement System (CERS)

For the year ended June 30, 2025, the District recognized pension expense of \$1,141,272. At June 30, 2025, the District reported deferred outflows of resources for District contributions subsequent to the measurement date and deferred inflows of resources related to pensions from the net difference between projected and actual earnings on pension plan investments in the amount of:

Deferred Outflows of Resources for:	
Liability Experience	\$ 1,374,520
Changes of Assumptions	0
Investment Experience	1,950,311
Changes in Proportion & Differences Between Employer Contributions & Proportionate Share of Contributions	246,072
District Contributions Subsequent to Measurement Date	<u>3,479,437</u>
	<u><u>\$ 7,050,340</u></u>
Deferred Inflows of Resources for:	
Liability Experience	\$ 0
Assumption Changes	1,283,037
Investment Experience	3,776,156
Changes in Proportion & Differences Between Employer Contributions & Proportionate Share of Contributions	<u>1,487,098</u>
	<u><u>\$ 6,546,291</u></u>

District contributions subsequent to the measurement date of \$3,479,437 are reported as deferred outflows of resources and 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 CERS will be recognized in pension expense as follows:

Amount
\$ 1,663,169
(50,335)
(701,876)
(406,909)
0
0
<u>\$ 504,049</u>

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 27 - RETIREMENT PLAN - KENTUCKY RETIREMENT SYSTEM (Continued)
County Employees Retirement System (CERS)

Actuarial Methods and Assumptions: The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2024. The financial reporting actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method	Level percentage of payroll
Amortization Period	30 years, close period at June 30, 2019 Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases
Payroll Growth Rate	2.00% for CERS non-hazardous and Hazardous
Investment Rate of Return	6.25%
Inflation	2.30%
Salary Increases	3.30% to 10.30%, varies by service for CERS Nonhazardous;
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for KRS. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated April 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense, and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 27 - RETIREMENT PLAN - KENTUCKY RETIREMENT SYSTEM (Continued)
County Employees Retirement System (CERS)

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 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:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	45.00%	4.15%
Private Equity	8.00%	7.90%
Fixed Income		
Core Fixed Income	13.00%	2.70%
Specialty Credit	20.00%	3.83%
Cash	2.00%	1.25%
Inflation Protected		
Real Estate	5.00%	4.75%
Real Return	7.00%	5.20%
Total	100.00%	

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

The Schedule of Deferred Inflows and Outflows, and Pension Expense include 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. The Schedule does not include deferred outflows/inflows of resources for changes in the employer's proportionate share of contributions or employer contributions made subsequent to the measurement date. The net pension liability as of June 30, 2024, is based on June 30, 2023. 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.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 27 - RETIREMENT PLAN - KENTUCKY RETIREMENT SYSTEM (Continued)
County Employees Retirement System (CERS)

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the net pension liability	\$36,609,794	\$28,398,102	\$21,584,562

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

Payables to the pension plan: At June 30, 2025 the District had payables to CERS in the amount of \$0 for June's covered payroll with contributions required to be paid in July.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 28 – OTHER POST EMPLOYMENT BENEFIT PLANS- KENTUCKY RETIREMENT SYSTEM
County Employee Retirement System OPEB Plan**

General Information about the OPEB Plan

Plan description – Classified employees of the District are provided OPEBs through the County Employees Retirement System (CERS)—a cost-sharing, multiple-employer defined benefit OPEB plan administered by the Kentucky General Assembly. CERS issues a publicly available financial report that can be obtained at <https://kyret.ky.gov>.

The board 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 CERS Medical Insurance and Life Insurance Plans. The following information is about the CERS plans:

Medical Insurance Plan

Plan description – Under the provisions of Kentucky Revised Statute Section 61.701, the KRS Board administers the Kentucky Retirement Systems Insurance Fund. The statutes provide for a single insurance fund to provide group hospital and medical benefits to retirees drawing a benefit from the three pension funds administered by KRS: (1) KERS; (2) CERS; and (3) SPRS. The assets of the Insurance Fund are also segregated by plan.

Benefits provided – The Kentucky Retirement Systems' Insurance Fund (Insurance Fund) was established to provide hospital and medical insurance for eligible members receiving benefits from KERS, CERS, and SPRS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on, or after, July 1, 2003 earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. This benefit is not protected under the inviolable contract provisions of Kentucky Revised Statute 16.652, 61.692 and 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions: Funding for CERS is provided by members who contribute 5% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions and by employers of members who contribute 17.06% of the member's salary. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 28 – OTHER POST EMPLOYMENT BENEFIT PLANS- KENTUCKY RETIREMENT SYSTEM
County Employee Retirement System OPEB Plan (Continued)**

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

At June 30, 2025, the Kentucky School District reported a liability of \$822,206 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the District's proportion was .475318 percent, which was in decrease of 0.032674% percent from its proportion measured as of June 30, 2024 (.507992 percent).

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 (Asset) (\$822,206)

For the year ended June 30, 2025, the District recognized OPEB expense of \$2,293,272. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ 456,150	\$ 6,469,140
Changes of assumptions	745,018	580,153
Investment Experience	722,740	1,473,051
Changes in proportion and differences between District contributions and proportionate share of contributions	533,144	1,280,723
District contributions subsequent to the measurement date	0	0
Total	<u>\$ 2,457,052</u>	<u>\$ 9,803,067</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$(7,346,015) 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, 2025. 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:

June 30:
\$ (2,801,347)
(2,498,455)
(1,895,343)
(150,870)
0
0
<u>\$ (7,346,015)</u>

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 28 – OTHER POST EMPLOYMENT BENEFIT PLANS- KENTUCKY RETIREMENT SYSTEM
County Employee Retirement System OPEB Plan (Continued)**

Actuarial assumptions – The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Determined by the	
Actuarial Valuation as of:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percent of Pay
Amortization Period:	30 Year, Closed period at June 30, 2019
	<i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.530%
Salary Increases	3.30% to 10.30%, varies by service
Investment Rate of Return	6.50%
Healthcare Trend Rates	
Pre – 65	Initial trend starting at 7.10% at January 1, 2026, gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years. nt.
Post – 65	Initial trend starting at 8.00% in 2026 and gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Nonhazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 28 – OTHER POST EMPLOYMENT BENEFIT PLANS- KENTUCKY RETIREMENT SYSTEM
County Employee Retirement System OPEB Plan (Continued)**

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

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

Discount Rate – Single discount rates of 5.99% for CERS Nonhazardous plans were 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 to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plans actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

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

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.93%, 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 (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	1% Decrease Rate (4.99%)	Current Discount Rate (5.99%)	1% Increase Rate (6.99%)
Systems' net OPEB liability	\$ 1,111,715	\$ (822,206)	\$ (2,448,250)

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 28 – OTHER POST EMPLOYMENT BENEFIT PLANS- KENTUCKY RETIREMENT SYSTEM
County Employee Retirement System OPEB Plan (Concluded)**

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Systems' net OPEB liability:	\$ (1,978,128)	\$ (822,206)	\$ 524,361

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 29-OTHER POST EMPLOYMENT BENEFIT PLANS-Teachers Retirement System OPEB Plan

General Information about the OPEB Plan

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

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

Medical Insurance Plan

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

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

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 29-OTHER POST EMPLOYMENT BENEFIT PLANS-Teachers Retirement System - OPEB Plan (Continued)

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

At June 30, 2024, the District reported a liability of \$12,115,000 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.497415 percent, which was an decrease of .059243 from it proportion measured as of June 30, 2022 (0.556658 percent).

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	\$ 9,851,000
State's proportionate share of the net OPEB	0
Medical Insurance	8,776,000
Life Insurance	200,000
Total liability associated with the District	<u>\$ 18,827,000</u>

For the year ended June 30, 2025, the District recognized OPEB expense of \$(230,000) and revenue of \$817,543 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Of the total amount reported as deferred outflows of resources related to OPEB, \$917,695 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expensed as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and and actual experience	\$ 0	\$ 2,958,000
Changes of assumptions	2,509,000	0
Net difference between projected and actual earnings on pension plan investments	0	316,000
Changes in proportion and differences between District contributions and proportionate share of contributions	3,215,000	6,489,000
District contributions subsequent to the measurement date	917,695	0
Total	<u>\$ 6,641,695</u>	<u>\$ 9,763,000</u>

Year ended June 30:

2025	\$ (253,305)
2026	(438,000)
2027	(487,000)
2028	(975,000)
2029	(839,000)
Thereafter	(129,000)
	<u>\$ (3,121,305)</u>

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 29-OTHER POST EMPLOYMENT BENEFIT PLANS-Teachers Retirement System - OPEB Plan (Continued)

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

Actuarial Assumptions

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

	MIF	LIF
Valuation date	June 30, 2024	June 30, 2024
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	2.75%, including wage inflation	2.75%, including wage inflation
Inflation rate	2.50%	2.50%
Real wage growth	0.25%	0.25%
Wage inflation	2.75%	2.75%
Municipal bond index rate	3.66%	3.66%
Discount rate	7.10%	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including price inflation	7.10%, net of OPEB plan investment expense, including price inflation
Health care cost trends		
Medical Trend	6.50% for fiscal year 2024 decreasing to an ultimate rate of 4.5% by fiscal year 2031	
Medicare Part B premiums	5.92% for fiscal year 2024 with an ultimate rate of 4.5% by 2035	

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

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

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 29-OTHER POST EMPLOYMENT BENEFIT PLANS-Teachers Retirement System - OPEB Plan (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, as provided by TRS's investment consultant, are summarized in the following table:

Health Insurance Trust		
Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate Percentage of Return
U.S. large cap equity	35.4%	5.0%
U.S. small cap equity	2.6%	5.5%
Developed international equity	15.0%	5.5%
Emerging markets equity	5.0%	6.1%
Fixed income	9.0%	1.9%
High yield bonds	8.0%	3.8%
Other additional categories	9.0%	3.7%
Real estate	6.5%	3.2%
Private equity	8.5%	8.0%
Cash	1.0%	1.6%
Total	100.0%	

Life Insurance Trust		
Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate Percentage of Return
U.S. Equity	40.0%	5.2%
Developed international equity	15.0%	5.5%
Emerging markets equity	5.0%	6.1%
Fixed income	21.0%	1.9%
Other additional categories	5.0%	4.0%
Real estate	7.0%	3.2%
Private equity	5.0%	8.0%
Cash	2.0%	1.6%
Total	100.00%	

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

PIKE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 29-OTHER POST EMPLOYMENT BENEFIT PLANS-Teachers Retirement System - OPEB Plan (Concluded)

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Health Insurance Trust	\$ 6,654,000	\$ 9,851,000	\$ 13,822,000
Life Insurance Trust	0	0	0
	<u>\$ 6,654,000</u>	<u>\$ 9,851,000</u>	<u>\$ 13,822,000</u>

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

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 13,087,000	\$ 9,851,000	\$ 7,169,000

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

REQUIRED SUPPLEMENTAL INFORMATION

PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	GENERAL FUND			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES:				
From Local Sources				
Taxation				
Property	\$ 11,500,000	\$ 11,500,000	\$ 13,977,895	\$ 2,477,895
Motor Vehicles	2,000,000	2,000,000	2,830,265	830,265
Utilities	3,000,000	3,000,000	3,927,227	927,227
Other	200,000	200,000	15,795	(184,205)
Other Local Sources	242,100	242,100	624,999	382,899
Earnings on Investments	900,000	900,000	1,371,641	471,641
State Sources	60,418,530	59,361,199	58,847,684	(513,515)
Federal Sources	200,000	200,000	224,767	24,767
TOTAL REVENUES	\$ 78,460,630	\$ 77,403,299	\$ 81,820,273	\$ 4,416,974
EXPENDITURES:				
Instruction	\$ 50,887,408	\$ 50,864,045	\$ 40,953,669	\$ 9,910,376
Support Services:				
Student	4,301,128	4,301,128	4,946,476	(645,348)
Instructional Staff	3,108,846	3,200,009	3,212,579	(12,570)
District Administration	4,012,590	3,886,251	3,111,865	774,386
School Administration	3,933,340	3,865,540	4,973,338	(1,107,798)
Business	1,492,549	1,492,549	1,433,983	58,566
Plant Operations & Maintenance	13,498,255	13,423,255	15,429,266	(2,006,011)
Student Transportation	8,190,440	8,190,440	8,657,059	(466,619)
Community Service	7,500	7,497	271,179	(263,682)
Site Acquisition & Constr.	235,195	310,195	218,094	92,101
Building Improvements	0	0	194,775	(194,775)
Architectural/Engineering	0	0	0	0
Debt Service				
Principal	381,611	381,611	527,445	(145,834)
Interest	0	0	0	0
Contingency	16,000,000	14,961,517	0	14,961,517
TOTAL EXPENDITURES	\$ 106,048,862	\$ 104,884,037	\$ 83,929,728	\$ 20,954,309
Excess (Deficit) of Revenues over Expenditures	\$ (27,588,232)	\$ (27,480,738)	\$ (2,109,455)	\$ 25,371,283
OTHER FINANCING SOURCES (USES):				
Proceeds from Capital Leases	\$ 0	\$ 0	\$ 959,128	\$ 959,128
Proceeds from Sale of Fixed Assets	0	0	51,472	51,472
Operating Transfers In	2,697,327	2,589,836	2,283,426	(306,410)
Operating Transfers Out	(175,000)	(175,000)	(387,316)	(212,316)
	\$ 2,522,327	\$ 2,414,836	\$ 2,906,710	\$ 491,874
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses)	\$ (25,065,905)	\$ (25,065,902)	\$ 797,255	\$ 25,863,157
Fund Balance - Beginning	25,065,905	25,065,905	26,445,139	1,379,234
Fund Balance - Ending	\$ 0	\$ 3	\$ 27,242,394	\$ 27,242,391

See independent auditor's report and accompanying notes to the financial statement.

PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES:				
Local Sources	\$ 836,260	\$ 863,249	\$ 586,999	\$ (276,250)
Earnings on Investments	0	0	0	0
State Sources	3,139,005	3,079,784	3,313,282	233,498
Federal Sources	11,033,109	11,832,419	23,951,282	12,118,863
TOTAL REVENUES	<u>\$ 15,008,374</u>	<u>\$ 15,775,452</u>	<u>\$ 27,851,563</u>	<u>\$ 12,076,111</u>
EXPENDITURES:				
Instruction	\$ 11,301,966	\$ 11,924,149	\$ 13,597,029	\$ (1,672,880)
Support Services:				
Student	306,188	264,005	374,292	(110,287)
Instructional Staff	1,185,606	1,058,644	2,096,294	(1,037,650)
District Administration	0	0	0	0
School Administration	0	0	0	0
Business	108,973	173,183	259,439	(86,256)
Plant Operations & Maintenance	1,000	141,000	217,434	(76,434)
Student Transportation	97,418	100,000	464,295	(364,295)
Central Office	0	0	0	0
Food Service Operations	0	0	0	0
Other	0	0	0	0
Community Service	2,052,509	2,077,587	1,745,178	332,409
Facilities Acquisition & Construction	0	0	57,500	(57,500)
Contingency	0	0	0	0
TOTAL EXPENDITURES	<u>\$ 15,053,660</u>	<u>\$ 15,738,568</u>	<u>\$ 18,811,461</u>	<u>\$ (3,072,893)</u>
Excess (Deficit) of Revenues over Expenditures	<u>\$ (45,286)</u>	<u>\$ 36,884</u>	<u>\$ 9,040,102</u>	<u>\$ 9,003,218</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 175,000	\$ 125,000	\$ 130,907	\$ 5,907
Operating Transfers Out	(129,714)	(143,885)	(9,171,009)	(9,027,124)
TOTAL OTHER FINANCING SOURCES (USES):	<u>\$ 45,286</u>	<u>\$ (18,885)</u>	<u>\$ (9,040,102)</u>	<u>\$ (9,021,217)</u>
Net Change in Fund Balance	\$ 0	\$ 17,999	\$ 0	\$ (17,999)
Fund Balance - Beginning	0	0	0	0
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 17,999</u>	<u>\$ 0</u>	<u>\$ (17,999)</u>

See independent auditor's report and accompanying notes to the financial statement.

PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	CONSTRUCTION FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:				
From Local Sources				
Taxation	\$ 0	\$ 0	\$ 0	\$ 0
Motor Vehicle	0	0	0	0
Utilities	0	0	0	0
Other	0	0	0	0
Tuition & Fees	0	0	0	0
Earnings on Investments	0	0	894,201	894,201
Other Local Revenues	0	0	57,349	57,349
Intergovernmental-State	0	0	0	0
Intergovernmental – Indirect Federal	0	0	0	0
Intergovernmental – Direct Federal	0	0	0	0
TOTAL REVENUES	\$ 0	\$ 0	\$ 951,550	\$ 951,550
EXPENDITURES:				
Instruction	\$ 0	\$ 0	\$ 0	\$ 0
Support Services:				
Student	0	0	0	0
Instructional Staff	0	0	0	0
District Administration	0	0	0	0
School Administration	0	0	0	0
Business	0	0	0	0
Plant Operations & Maintenance	0	0	0	0
Student Transportation	0	0	0	0
Central Office	0	0	0	0
Food Service Operations	0	0	0	0
Other	0	0	0	0
Community Service	0	0	0	0
Facilities Acquisition & Construction	0	0	606,488	(606,488)
Building Improvements	0	9,275,304	9,149,492	125,812
Site Improvements	0	0	30,431	(30,431)
TOTAL EXPENDITURES	\$ 0	\$ 9,275,304	\$ 9,786,411	\$ (511,107)
Excess (Deficit) of Revenues over Expenditures	\$ 0	\$ (9,275,304)	\$ (8,834,861)	\$ 440,443
OTHER FINANCING SOURCES (USES):				
Bonds Proceeds	\$ 0	\$ 0	\$ 0	\$ 0
Premium on Bond Issuance	0	0	0	0
Bond Discounts	0	0	0	0
Operating Transfers In	0	1,560,234	9,718,554	8,158,320
Operating Transfers Out	0	0	(97,803)	(97,803)
TOTAL OTHER FINANCING SOURCES (USES):	\$ 0	\$ 1,560,234	\$ 9,620,751	\$ 8,060,517
Net Change in Fund Balance	\$ 0	\$ (7,715,070)	\$ 785,890	\$ 8,500,960
Fund Balance - Beginning	0	0	16,068,848	16,068,848
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (7,715,070)</u>	<u>\$ 16,854,738</u>	<u>\$ 24,569,808</u>

See Independent auditor's report and accompanying notes to the financial statement.

PIKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	DEBT SERVICE			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES:				
Intergovernmental- State	\$ 2,976,945	\$ 2,976,945	\$ 2,976,945	\$ 0
TOTAL REVENUES	\$ 2,976,945	\$ 2,976,945	\$ 2,976,945	\$ 0
EXPENDITURES:				
Instruction	\$ 0	\$ 0	\$ 0	\$ 0
Support Services:				
Student	0	0	0	0
Instructional Staff	0	0	0	0
District Administration	0	0	0	0
School Administration	0	0	0	0
Business	0	0	0	0
Plant Operations & Maintenance	0	0	0	0
Student Transportation	0	0	0	0
Central Office	0	0	0	0
Food Service Operations	0	0	0	0
Other	0	0	0	0
Community Service	0	0	0	0
Debt Service	0	0	0	0
Principal	10,035,569	10,035,569	10,062,808	(27,239)
Interest	0	0	0	0
Bond Issuance Costs	0	0	0	0
TOTAL EXPENDITURES	\$ 10,035,569	\$ 10,035,569	\$ 10,062,808	\$ (27,239)
Excess (Deficit) of Revenues over Expenditures	\$ (7,058,624)	\$ (7,058,624)	\$ (7,085,863)	\$ (27,239)
OTHER FINANCING SOURCES (USES):				
Bonds Proceeds	\$ 0	\$ 0	\$ 0	\$ 0
Premium on Bond Issuance	0	0	0	0
Operating Transfers In	7,058,624	7,058,624	7,085,863	27,239
Operating Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES):	\$ 7,058,624	\$ 7,058,624	\$ 7,085,863	\$ 27,239
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance - Beginning	0	0	2,380,768	2,380,768
Fund Balance - Ending	\$ 0	\$ 0	\$ 2,380,768	\$ 2,380,768

See independent auditor's report and accompanying notes to the financial statement.

**PIKE COUNTY BOARD OF EDUCATION
KENTUCKY TEACHERS RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2025**

Last Ten Fiscal Years **	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-19	2017-18	2016-17	2015-16	2014-15
Schedule of the District's Proportionate Share of the Net Pension Liability											
Commonwealth's proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Commonwealth's proportionate share of the net pension liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Commonwealth's proportion of the net pension liability associated with the District	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%
Commonwealth's proportionate share of the net pension liability associated with the District	\$ 141,988,471	\$ 161,110,034	\$ 174,820,718	\$ 135,328,791	\$ 145,422,332	\$ 146,312,371	\$ 143,777,280	\$ 312,509,016	\$ 353,664,994	\$ 283,538,388	\$ 260,475,099
Total	<u>\$ 141,988,471</u>	<u>\$ 161,110,034</u>	<u>\$ 174,820,718</u>	<u>\$ 135,328,791</u>	<u>\$ 145,422,332</u>	<u>\$ 146,312,371</u>	<u>\$ 143,777,280</u>	<u>\$ 312,509,016</u>	<u>\$ 353,664,994</u>	<u>\$ 283,538,388</u>	<u>\$ 260,475,099</u>
District's covered-employee payroll	\$ 39,006,897	\$ 39,345,151	\$ 38,411,047	\$ 37,621,763	\$ 42,435,552	\$ 31,871,005	\$ 37,105,911	\$ 36,809,662	\$ 38,195,439	\$ 34,181,498	\$ 39,104,554
District's proportionate share of the net pension liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Commonwealth's proportionate share of the net pension liability as a percentage of District's covered-employee payroll	27.4719%	24.4213%	21.9717%	27.8003%	29.1809%	21.7829%	25.8079%	11.7788%	10.7999%	12.0553%	15.0128%
Plan fiduciary net position as a percentage of the total pension liability	60.3600%	57.6800%	56.4000%	65.6000%	58.2700%	58.8000%	59.3000%	39.8300%	54.6000%	55.3000%	45.5907%
Schedule of State Contributions											
	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	\$ 9,228,784	\$ 9,690,965	\$ 15,950,844	\$ 10,802,392	\$ 10,525,964	\$ 11,010,813	\$ 10,417,762	\$ 11,103,259	\$ 5,819,247	\$ 5,863,960	\$ 6,133,500
Contributions in relation to the contractually required contribution	9,228,784	9,690,965	15,950,844	10,802,392	10,525,964	11,010,813	10,417,762	11,103,259	5,819,247	1,567,395	6,133,500
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,296,565</u>	<u>\$ 0</u>
District's covered payroll	\$ 39,006,897	\$ 39,345,151	\$ 38,411,047	\$ 37,621,763	\$ 42,435,552	\$ 31,871,005	\$ 37,105,911	\$ 36,809,662	\$ 38,195,439	\$ 34,181,498	\$ 39,104,554
Contributions as a percentage of covered-employee payroll	23.6594%	24.6306%	41.5267%	28.7131%	24.8046%	34.5481%	28.0757%	30.1640%	15.2354%	4.5855%	15.6849%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

PIKE COUNTY BOARD OF EDUCATION
County Employees Retirement System Non-Hazardous
FOR THE YEAR ENDED JUNE 30, 2025

Last Ten Fiscal Years **

	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-18	2016-17	2015-16	2014-15
Schedule of the District's Proportionate Share of the Net Pension Liability											
District's proportion of the net pension liability	0.507992%	0.507992%	0.495097%	0.599896%	0.486460%	0.549032%	0.56995%	0.57442%	0.59071%	0.61359%	0.62367%
District's proportionate share of the net pension liability	36,609,794	32,596,504	35,788,749	38,248,076	37,311,079	38,613,665	34,711,631	33,623,037	29,084,219	26,381,351	20,234,000
District's covered-employee payroll	27,114,898	24,060,496	23,457,860	21,375,190	23,175,462	18,290,845	19,941,375	19,615,193	17,640,094	19,050,950	17,811,339
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	135.01727%	135.47727%	152.56613%	178.93678%	160.99390%	211.10925%	174.06839%	171.41324%	164.87565%	138.47788%	113.60179%
Plan fiduciary net position as a percentage of the total pension liability	61.24%	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	55.32%	55.50%	59.97%	66.80%
Schedule of District Contributions											
Contractually required contribution	\$ 3,479,437	\$ 3,450,641	\$ 3,118,538	\$ 2,957,318	\$ 2,404,898	\$ 3,682,772	\$ 3,730,476	\$ 3,492,697	\$ 2,443,771	\$ 2,497,324	\$ 2,497,359
Contributions in relation to the contractually required contribution	3,479,437	3,450,641	3,118,538	2,957,318	2,404,898	3,682,772	3,730,476	3,492,697	2,443,771	2,497,324	2,497,359
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered payroll	27,114,898	24,060,496	23,457,860	21,375,190	23,175,462	18,290,845	19,941,375	19,615,193	17,640,094	19,050,950	17,811,339
Contributions as a percentage of covered-employee payroll	12.8322%	14.3415%	13.2942%	13.8353%	10.3769%	20.1345%	18.7072%	17.8061%	13.8535%	13.1087%	14.0212%

** Schedule is intended to show information for ten years. Additional years
will be displayed as they become available.

See independent auditor's report and accompanying notes to the financial statement.

PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY - MEDICAL INSURANCE PLAN
Teachers' Retirement System Kentucky
Last 10 Fiscal Years*
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the collective net OPEB liability (asset)	0.497415%	0.497415%	0.747427%	0.556658%	0.552358%	0.573923%	0.569656%	0.613982%
District's proportionate share of the collective net OPEB liability (asset)	\$ 9,851,000	\$ 12,115,000	\$ 18,555,000	\$ 11,944,000	\$ 13,940,000	\$ 16,798,000	\$ 16,795,000	\$ 21,893,000
State's proportionate share of the collective net OPEB liability (asset) associated with the District	8,776,000	10,211,000	6,399,000	9,829,000	11,167,000	13,565,000	17,034,000	17,884,000
Total	<u>\$ 18,627,000</u>	<u>\$ 22,326,000</u>	<u>\$ 24,954,000</u>	<u>\$ 21,773,000</u>	<u>\$ 25,107,000</u>	<u>\$ 30,363,000</u>	<u>\$ 33,829,000</u>	<u>\$ 39,777,000</u>
District's covered-employee payroll	39,006,897	39,345,151	38,411,047	37,621,763	42,435,552	31,871,005	37,105,911	36,809,662
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	25.255%	30.792%	48.306%	31.748%	32.850%	52.706%	45.262%	59.476%
Plan fiduciary net position as a percentage of the total OPEB liability	71.570%	57.700%	56.400%	39.046%	39.050%	35.580%	25.540%	21.180%

* The amounts presented for each fiscal year were determined as of June 30.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
Teachers' Retirement System Kentucky
Last 10 Fiscal Years*
FOR THE YEAR ENDED JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	917,695	942,518	991,712	988,072	975,503	999,356	\$ 1,014,736	\$ 1,051,925
Contributions in relation to the								
Contractually required contribution	917,695	942,518	991,712	988,072	975,503	999,356	1,014,736	1,051,925
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
District's covered-employee payroll	\$ 39,006,897	\$ 39,345,151	\$ 38,411,047	\$ 37,621,763	\$ 42,435,552	\$ 31,871,005	\$ 37,105,911	\$ 36,809,662
Contributions as a percentage of covered- employee payroll	2.35%	2.40%	2.58%	2.63%	2.30%	3.14%	2.73%	2.86%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

PIKE COUNTY BOARD OF EDUCATION
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Kentucky Teachers Retirement System – OPEB

Changes of benefit terms – 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.

Methods and assumptions used in the actuarially determined contributions – The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2023:

Actuarial Assumptions			
A summary of the actuarial assumptions as of the latest actuarial valuation follows.			
		MIF	LIF
Valuation date		June 30, 2024	June 30, 2024
Investment rate of return		7.10%, net of OPEB plan investment expense, including inflation	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases		2.75%, including wage inflation	2.75%, including wage inflation
Inflation rate		2.50%	2.50%
Real wage growth		0.25%	0.25%
Wage inflation		2.75%	2.75%
Municipal bond index rate		3.66%	3.66%
Discount rate		7.10%	7.10%
Single equivalent interest rate		7.10%, net of OPEB plan investment expense, including price inflation	7.10%, net of OPEB plan investment expense, including price inflation
Health care cost trends			
	KEHP group	6.50% for fiscal year 2024 decreasing to an ultimate rate of 4.5% by fiscal year 2031	
	Medicare Part B premiums	5.92% for fiscal year 2024 with an ultimate rate of 4.5% by 2035	

PIKE COUNTY BOARD OF EDUCATION
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Kentucky Teachers Retirement System – OPEB

Life Insurance Plan

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

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

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

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

At June 30, 2024, the Kentucky School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 9,851,000
State's proportionate share of the net OPEB liability associated with the District	0
Medical Insurance	8,776,000
Life Insurance	200,000
Total liability associated with the District	<u>\$ 18,827,000</u>

For the year ended June 30, 2024, the District recognized OPEB expense of \$822,196 and revenue of \$822,196 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 2,958,000
Changes of assumptions	2,509,000	0
Net difference between projected and actual earnings on pension plan investments	0	316,000
Changes in proportion and differences between District contributions and proportionate share of contributions	3,215,000	6,489,000
District contributions subsequent to the measurement date	917,695	0
Total	<u>\$ 6,641,695</u>	<u>\$ 9,763,000</u>

PIKE COUNTY BOARD OF EDUCATION
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Kentucky Teachers Retirement System – OPEB

Of the total amount reported as deferred outflows of resources related to OPEB, \$942,518 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, 2024. 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 shown:

Year ended June 30:	
2025	\$ (253,305)
2026	(438,000)
2027	(487,000)
2028	(975,000)
2029	(839,000)
Thereafter	(129,000)
	<u>\$ (3,121,305)</u>

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

Actuarial Assumptions

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

	MIF	LIF
Valuation date	June 30, 2024	June 30, 2024
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	2.75%, including wage inflation	2.75%, including wage inflation
Inflation rate	2.50%	2.50%
Real wage growth	0.25%	0.25%
Wage inflation	2.75%	2.75%
Municipal bond index rate	3.66%	3.66%
Discount rate	7.10%	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including price inflation	7.10%, net of OPEB plan investment expense, including price inflation
Health care cost trends		
KEHP group	6.50% for fiscal year 2024 decreasing to an ultimate rate of 4.5% by fiscal year 2031	
Medicare Part B premiums	5.92% for fiscal year 2024 with an ultimate rate of 4.5% by 2035	

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2023 valuation were based on the results of the most recent actuarial

PIKE COUNTY BOARD OF EDUCATION
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Kentucky Teachers Retirement System – OPEB

experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

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

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

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

Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate Percentage of Return
U.S. large cap equity	35.4	5.0
U.S. small cap equity	2.6	5.5
Developed international equity	15.0	5.5
Emerging markets equity	5.0	6.1
Fixed income	9.0	1.9
High yield bonds	8.0	3.8
Other additional categories	9.0	3.7
Real estate	6.5	3.2
Private equity	8.5	8.0
Cash	1.0	1.6
Total	100.0	

Life Insurance Trust

Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate Percentage of Return
U.S. Equity	40.0%	5.2%
Developed international equity	15.0%	5.5%
Emerging markets equity	5.0%	6.1%
Fixed income	21.0%	1.9%
Other additional categories	5.0%	4.0%
Real estate	7.0%	3.2%
Private equity	5.0%	8.0%
Cash	2.0%	1.6%
Total	100.00%	

Discount rate - The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at

PIKE COUNTY BOARD OF EDUCATION
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Kentucky Teachers Retirement System – OPEB

statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	<u>1% Decrease Rate (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase Rate (8.10%)</u>
Systems' net pension liability	\$ 6,654,000	\$ 9,851,000	\$ 13,822,000

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

PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY - MEDICAL INSURANCE PLAN
County Employees Retirement Plan
Last 10 Fiscal Years*
For The Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the collective net OPEB liability (asset)	0.475318%	0.507992%	0.495097%	0.599755%	0.486319%	5.489250%	0.569928%	0.574428%
District's proportionate share of the collective net OPEB liability (asset)	<u>\$ (822,206)</u>	<u>\$ (770,807)</u>	<u>\$ 9,770,807</u>	<u>\$ 11,482,009</u>	<u>\$ 11,743,125</u>	<u>\$ 9,232,671</u>	<u>\$ 10,118,958</u>	<u>\$ 11,547,968</u>
Total	<u>\$ (822,206)</u>	<u>\$ (770,807)</u>	<u>\$ 9,770,807</u>	<u>\$ 11,482,009</u>	<u>\$ 11,743,125</u>	<u>\$ 9,232,671</u>	<u>\$ 10,118,958</u>	<u>\$ 11,547,968</u>
District's covered-employee payroll	27,114,898	24,060,496	23,457,860	21,375,190	23,175,462	18,290,845	19,941,375	19,615,193
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	-3.032%	-3.204%	41.653%	53.717%	50.671%	50.477%	50.744%	58.873%
Plan fiduciary net position as a percentage of the total OPEB liability	104.890%	104.230%	60.950%	62.910%	51.670%	60.440%	53.540%	53.320%

* The amounts presented for each fiscal year were determined as of June 30.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
County Employees Retirement Plan
Last 10 Fiscal Years*
For The Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 0	\$ 499,901	\$ 887,051	\$ 1,068,862	\$ 837,519	\$ 889,060	\$ 663,929	\$ 661,534
Contributions in relation to the								
Contractually required contribution	0	(499,901)	(887,051)	(1,068,862)	(837,519)	(889,060)	(663,929)	(661,534)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
District's covered-employee payroll	\$ 27,114,898	\$ 24,060,496	\$ 23,457,860	\$ 21,375,190	\$ 23,175,462	\$ 18,290,845	\$ 19,941,375	\$ 19,615,193
Contributions as a percentage of covered- employee payroll	0.00%	2.08%	3.78%	5.00%	3.61%	4.86%	3.33%	3.37%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

PIKE COUNTY BOARD OF EDUCATION
Notes to the Required Supplementary Information
for the Year Ended June 30, 2025

Kentucky Retirement System – County Employee OPEB Plan

Changes of benefit terms - None

Methods and assumptions used in the actuarially determined contributions

For financial reporting the actuarial valuation as of June 30, 2024, was performed by Gabriel Roeder Smith (GRS). The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2022, were based on an actuarial valuation date of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date (June 30, 2020) to the plan's fiscal year ending June 30, 2023, using generally accepted actuarial principles. There have been no changes in actuarial assumptions since June 30, 2020 (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 updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2022, is determined using these updated benefit provisions.

Determined by the	
Actuarial Valuation as of:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percent of Pay
Amortization Period:	30 Year, Closed period at June 30, 2019
	<i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.53%
Salary Increases	3.30% to 10.30%, varies by service
Investment Rate of Return	6.50%
Healthcare Trend Rates	
Pre – 65	Initial trend starting at 7.10% at January 1, 2026, gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.
Post – 65	Initial trend starting at 8.00% in 2026 and gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Nonhazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010

PIKE COUNTY BOARD OF EDUCATION
Notes to the Required Supplementary Information
for the Year Ended June 30, 2025

Kentucky Retirement System – County Employee OPEB Plan

Plan description – Classified employees of the District are provided OPEBs through the County Employees Retirement System (CERS)—a cost-sharing, multiple-employer defined benefit OPEB plan administered by the Kentucky General Assembly. CERS issues a publicly available financial report that can be obtained at <https://kyret.ky.gov>.

The Board 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 CERS Medical Insurance and Life Insurance Plans. The following information is about the CERS plans:

Medical Insurance Plan

Plan description – Under the provisions of Kentucky Revised Statute Section 61.701, the KRS Board administers the Kentucky Retirement Systems Insurance Fund. The statutes provide for a single insurance fund to provide group hospital and medical benefits to retirees drawing a benefit from the three pension funds administered by KRS: (1) KERS; (2) CERS; and (3) SPRS. The assets of the Insurance Fund are also segregated by plan.

Benefits provided – The Kentucky Retirement Systems' Insurance Fund (Insurance Fund) was established to provide hospital and medical insurance for eligible members receiving benefits from KERS, CERS, and SPRS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on, or after, July 1, 2003 earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. This benefit is not protected under the inviolable contract provisions of Kentucky Revised Statute 16.652, 61.692 and 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions: Funding for CERS is provided by members who contribute 5% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions and by employers of members who contribute 17.06% of the member's salary. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

At June 30, 2024, the Kentucky School District reported a liability (asset) of (\$822,206) for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024 the District's proportion was .475318 percent, which was a decrease of .032674 percent from its proportion measured as of June 30, 2023 (.507992 percent).

PIKE COUNTY BOARD OF EDUCATION
Notes to the Required Supplementary Information
for the Year Ended June 30, 2025

Kentucky Retirement System – County Employee OPEB Plan

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 (asset) (\$822,206)

For the year ended June 30, 2025, the District recognized OPEB expense of \$2,293,272. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ 456,150	\$ 6,469,140
Changes of assumptions	745,018	580,153
Investment Experience	722,740	1,473,051
Changes in proportion and differences between District contributions and proportionate share of contributions	533,144	1,280,723
District contributions subsequent to the measurement date	0	0
Total	<u>\$ 2,457,052</u>	<u>\$ 9,803,067</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$570,994 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ended June 30:	
2024	\$ (2,801,347)
2025	(2,498,455)
2026	(1,895,343)
2027	(150,870)
2028	0
ther after	0
	<u>\$ (7,346,015)</u>

PIKE COUNTY BOARD OF EDUCATION
Notes to the Required Supplementary Information
for the Year Ended June 30, 2025

Kentucky Retirement System – County Employee OPEB Plan

Actuarial assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Determined by the	
Actuarial Valuation as of:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percent of Pay
Amortization Period:	30 Year, Closed period at June 30, 2019
	<i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate	2.00%
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.530%
Salary Increases	3.30% to 10.30%, varies by service
Investment Rate of Return	6.50%
Healthcare Trend Rates	
Pre – 65	Initial trend starting at 7.10% at January 1, 2026, gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years. nt.
Post – 65	Initial trend starting at 8.00% in 2026 and gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Nonhazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010

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

PIKE COUNTY BOARD OF EDUCATION
Notes to the Required Supplementary Information
for the Year Ended June 30, 2025

Kentucky Retirement System – County Employee OPEB Plan

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Fixed Income		
Core Bonds	10.00%	0.28%
Specialty Credit/High Yield	10.00%	2.28%
Cash	0.00%	-0.91%
Inflation Protected		
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
	<u>100.00%</u>	
Expected Real Return		4.28%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		<u>6.58%</u>

Discount Rate – Single discount rates of 5.99% for the CERS non-hazardous insurance plan were 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 future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30 2028, for the CERS plans.

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.70%, 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 (4.70%) or 1-percentage-point higher (6.70%) than the current rate:

	1% Decrease Rate (4.99%)	Current Discount Rate (5.99%)	1% Increase Rate (6.99%)
System's Net OPEB Liability	\$ 1,111,715	\$ (822,206)	\$ (2,448,250)

PIKE COUNTY BOARD OF EDUCATION
Notes to the Required Supplementary Information
for the Year Ended June 30, 2025

Kentucky Retirement System – County Employee OPEB Plan

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

	1% Decrease	Current Discount Rate	1% Increase
System's Net OPEB Liability (Asset)	\$ (1,978,128)	\$ (822,206)	\$ 524,361

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

COMBINING FINANCIAL STATEMENTS
AND OTHER SUPPLEMENTARY INFORMATION

**PIKE COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025**

	Capital Outlay Fund	Building Fund	District Activity	School Activity Funds	Total Non- Major Governmental Funds
<u>ASSETS AND RESOURCES</u>					
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 190,082	\$ 1,354,333	\$ 1,544,415
Accounts Receivable	0	0	0	3,598	3,598
Amounts held by Fiscal Agents	0	0	0	0	0
Due From Other Funds	0	0	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 190,082</u>	<u>\$ 1,357,931</u>	<u>\$ 1,548,013</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 8,083	\$ 25,383	\$ 33,466
Summer Payrolls	0	0	0	0	
Other Liabilities	0	0	0	0	0
Other Liabilities	0	0	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,083</u>	<u>\$ 25,383</u>	<u>\$ 33,466</u>
 Deferred Revenue					
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances					
Restricted:					
Other	\$ 0	\$ 0	\$ 181,999	\$ 1,332,548	\$ 1,514,547
Future Construction	0	0	0	0	0
Debt Service	0	0	0	0	0
Committed:					
Site Based Carryforward	0	0	0	0	0
Sick-leave	0	0	0	0	0
Worker's Compensation	0	0	0	0	0
Assigned:					
Purchase Obligations	0	0	0	0	0
Unassigned	0	0	0	0	0
Total Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 181,999</u>	<u>\$ 1,332,548</u>	<u>\$ 1,514,547</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 190,082</u>	<u>\$ 1,357,931</u>	<u>\$ 1,548,013</u>

See independent auditor's report and accompanying notes to the financial statement.

PIKE COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Capital Outlay Fund	Building Fund	District Activity	School Activity Funds	Total Non-Major Governmental Funds
REVENUES					
From Local Sources					
Taxes					
Property	\$ 0	\$ 2,441,596	\$ 0	\$ 0	\$ 2,441,596
Motor Vehicles	0	0	0	0	0
Utilities	0	0	0	0	0
Other	0	0	0	0	0
Earnings on Investments	0	0	0	0	0
Other Local Revenues	0	0	0	4,118,615	4,118,615
Intergovernmental- State	680,301	5,796,848	0	0	6,477,149
Intergovernmental-Indirect Federal	0	0	0	0	0
Total Revenues	\$ 680,301	\$ 8,238,444	\$ 0	\$ 4,118,615	\$ 13,037,360
EXPENDITURES					
Instruction	\$ 0	\$ 0	\$ 118,153	\$ 3,779,679	\$ 3,897,832
Support Services					
Student	0	0	0	0	0
Instruction Staff	0	0	6,703	0	6,703
District Administrative	0	0	0	0	0
School Administrative	0	0	21,275	0	21,275
Business	0	0	0	0	0
Plant Operation and Maint.	0	0	19,899	0	19,899
Student Transportation	0	0	0	0	0
Community Services	0	0	0	0	0
Facilities Acquisitions and Construction	0	0	0	0	0
Site Improvement	0	0	0	0	0
Building Improvements	0	0	0	0	0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	\$ 0	\$ 0	\$ 166,030	\$ 3,779,679	\$ 3,945,709
Excess (Deficit) of Revenues over Expenditures	\$ 680,301	\$ 8,238,444	\$ (166,030)	\$ 338,936	\$ 9,091,651
Other Financing Sources (Uses)					
Proceeds from Capital Leases	0	0	0	0	0
Proceeds from Sales of Fixed Assets	0	0	0	0	0
Operating Transfer, In	0	0	215,534	0	215,534
Operating Transfer, Out	(680,301)	(8,238,444)	0	(215,534)	(9,134,279)
Total Other Financing Sources	\$ (680,301)	\$ (8,238,444)	\$ 215,534	\$ (215,534)	\$ (8,918,745)
Net Change in Fund Balance	\$ 0	\$ 0	\$ 49,504	\$ 123,402	\$ 172,906
Fund Balance - Beginning	0	0	132,495	1,209,146	1,341,641
Fund Balance - Ending	\$ 0	\$ 0	\$ 181,999	\$ 1,332,548	\$ 1,514,547

See independent auditor's report and accompanying notes to the financial statement.

**PIKE COUNTY BOARD OF EDUCATION
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT GROUPS
SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

SCHOOLS	Cash Balance July 1, 2024	Receipts	Disburse- ments	Cash Balance June 30, 2025	Accounts Receivable	Accounts Payable	Due to Students June 30, 2025
HIGH SCHOOLS							
Belfry	\$ 153,775	\$ 436,734	\$ 425,801	\$ 164,708	\$ 0	\$ 6,318	\$ 158,390
East Ridge	147,041	225,735	208,164	164,612	100	0	164,712
Phelps	63,573	218,229	214,662	67,140	0	0	67,140
Pike Central	79,763	561,228	511,021	129,970	2,066	5,002	127,034
Shelby Valley	147,696	518,456	544,340	121,812	0	0	121,812
MIDDLE SCHOOLS							
Belfry Middle	46,108	231,668	238,716	39,060	0	4,303	34,757
ELEMENTARY SCHOOLS							
Belfry Elementary	40,545	124,674	131,932	33,287	0	0	33,287
Bevins	45,375	80,086	62,558	62,903	0	100	62,803
Dorton	48,525	147,730	127,334	68,921	0	0	68,921
Elkhorn City	40,869	150,339	164,205	27,003	0	0	27,003
Feds Creek	17,733	67,132	70,135	14,730	0	0	14,730
Johns Creek	74,636	257,355	268,019	63,972	967	0	64,939
Kimper	30,321	27,477	27,333	30,465	0	200	30,265
Millard	89,697	239,852	236,104	93,445	0	0	93,445
Mullins	42,996	354,004	302,116	94,884	465	4,047	91,302
Phelps	17,106	106,973	112,471	11,608	0	420	11,188
Valley	152,025	366,576	360,405	158,196	0	3,819	154,377
DAY TREATMENT CENTERS							0
Pike County Day Treatment	9,110	6,177	7,670	7,617	0	927	6,690
TOTALS	<u>\$ 1,246,894</u>	<u>\$ 4,120,425</u>	<u>\$ 4,012,986</u>	<u>\$ 1,354,333</u>	<u>\$ 3,598</u>	<u>\$ 25,136</u>	<u>\$ 1,332,795</u>

**PIKE COUNTY BOARD OF EDUCATION
BELFRY HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
GENERAL	\$ 1,829	\$ 11,977	5,886	1,680	\$ 9,600	\$ 0	\$ 0	\$ 9,600
ACADEMIC	0	0	1,156	1,156	0	0	0	0
TENNIS	0	0	94	94	0	0	0	0
SPIRIT TEAM	937	980	498	0	1,419	0	0	1,419
GOLF TEAM	0	0	94	94	0	0	0	0
KHEAA	0	3,000	3,000	0	0	0	0	0
INSTRUCTIONAL FEE	1,943	5,919	4,579	(1,482)	1,801	0	568	1,233
DEBBIE HUNTER	500	0	500	0	0	0	0	0
ESPORTS	(1)	0	425	426	0	0	0	0
PHOTOGRAPHY	2	892	0	0	894	0	0	894
FACULTY	4,073	2,526	4,518	(707)	1,374	0	0	1,374
JAG	0	17	105	88	0	0	0	0
HOMECOMING	2,768	2,520	2,045	(212)	3,031	0	0	3,031
VARSITY COURT	1	0	213	212	0	0	0	0
HONOR SOCIETY	549	1,485	1,476	0	558	0	0	558
WRESTLING	0	13,015	6,344	(5,684)	987	0	0	987
STLP	177	2,876	2,118	0	935	0	0	935
MU ALPHA THETA	152	330	382	0	100	0	0	100
HOBY	0	0	395	395	0	0	0	0
TECHNOLOGY FEES	0	7,729	0	(6,115)	1,614	0	0	1,614
PERSEVERE SCHOLARSHIP	1,000	1,000	1,000	0	1,000	0	0	1,000
JAMES WILLIS STUL	2,045	500	2,000	5	550	0	0	550
KY BLOOD CENTER `	442	1,386	0	0	1,828	0	0	1,828
PHIL HAYWOOD SCHOLARSHI	0	5,246	1,984	0	3,262	0	0	3,262
DESIRE SCHOLARSHIP	1,000	0	1,000	0	0	0	0	0
EASTERN KY STRONG	9,930	1,000	10,930	0	0	0	0	0
EASTERN LEVEL	382	0	0	(382)	0	0	0	0
STARTUP	0	17,405	45,433	28,028	0	0	0	0
STORES	8,826	38,459	23,219	(11,408)	12,658	0	0	12,658
ROBOTICS	6,106	2,000	6,138	0	1,968	0	0	1,968

See independent auditor's report and accompanying notes to the financial statement.

**PIKE COUNTY BOARD OF EDUCATION
BELFRY HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
PLTW PROJECT	4,770	0	1,292	(3,478)	0	0	0	0
FCA	345	125	0	0	470	0	0	470
DR MARY JOHNSON SCHOLARSHIP	5,000	5,000	5,000	0	5,000	0	0	5,000
HOSA	4,804	5,406	5,869	93	4,434	0	0	4,434
FOOTBALL	28,576	78,890	66,688	(5,151)	35,627	0	0	35,627
YOUTH FOOTBALL	243	0	0	0	243	0	0	243
FOOTBALL II	2,669	0	0	0	2,669	0	0	2,669
BOYS BASKETBALL	0	40,180	34,393	(4,489)	1,298	0	0	1,298
YOUTH BASKETBALL	29	0	0	0	29	0	0	29
GIRLS BASKETBALL	1	12,758	12,823	64	0	0	0	0
BASEBALL	0	17,886	17,144	(742)	0	0	0	0
VARSITY CHEER	8,137	31,920	29,373	(1,350)	9,334	0	5,750	3,584
JV CHEERLEADERS	1,000	2,400	3,466	66	0	0	0	0
SOFTBALL	0	13,482	13,287	(195)	0	0	0	0
VOLLEYBALL	6,428	7,566	7,797	(1,615)	4,582	0	0	4,582
ART HONOR SOCIETY	1,306	665	627	0	1,344	0	0	1,344
SWIM TEAM	1,497	5,925	6,594	(355)	473	0	0	473
PIRATES BREW	0	7,055	2,072	0	4,983	0	0	4,983
SPECIAL NEEDS	5,703	11,437	13,124	2,575	6,591	0	0	6,591
SPECIAL NEEDS II	75	0	0	(75)	0	0	0	0

**PIKE COUNTY BOARD OF EDUCATION
BELFRY HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Fund	Cash Balance July 1, 2024	Receipts	Disburse- ments	Transfers	Cash Balance June 30, 2025	Accounts Receivable	Accounts Payable	Due to Students June 30, 2025
BOYS SOCCER	1	8,585	5,890	(2,575)	121	0	0	121
GIRLS SOCCER	3,278	5,909	6,191	(2,546)	450	0	0	450
JR CLASS	0	10,007	7,103	(2,904)	0	0	0	0
SENIOR CLASS	2,183	0	2,076	2,904	3,011	0	0	3,011
JR ROTC	0	3,013	2,821	0	192	0	0	192
KY TSA	600	1,171	4,887	3,478	362	0	0	362
SADD	589	0	0	(589)	0	0	0	0
YALSA	489	0	0	(489)	0	0	0	0
LIBRARY	0	2,033	1,879	489	643	0	0	643
SPEECH & DRAMA	856	0	0	0	856	0	0	856
SPANISH	266	0	0	0	266	0	0	266
CLAY TARGET LEAGUE	0	100	0	0	100	0	0	100
FBLA	795	3,926	3,757	0	964	0	0	964
CTE ENTERPRISES	5,174	2,711	0	1,350	9,235	0	0	9,235
CHILDREN INC	2,201	13,173	12,758	0	2,616	0	0	2,616
YOUTH SERVICE CENTER	1,596	1,070	1,405	0	1,261	0	0	1,261
PIRATE PANTRY	1,071	200	46	0	1,225	0	0	1,225
YEARBOOK	21,124	15,535	14,390	0	22,269	0	0	22,269
CHARITABLE GAMING	1	0	0	(1)	0	0	0	0
TRACK	0	660	566	(94)	0	0	0	0
PERFORMING ARTS	0	770	771	1	0	0	0	0
BAND	307	1,698	1,763	0	242	0	0	242
CHOIR	0	5,116	4,877	0	239	0	0	239
2025 FLOOD ACTIVITY	0	100	100	0	0	0	0	0
DAF INSTRUCTION	0	0	7,440	7,440	0	0	0	0
DAF BUILDING/GROUND	0	0	2,000	2,000	0	0	0	0
TOTAL	\$ 153,775	\$ 436,734	425,801	0	\$ 164,708	\$ 0	\$ 6,318	\$ 158,390

**PIKE COUNTY BOARD OF EDUCATION
EAST RIDGE HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
GENERAL	\$ 8,153	\$ 7,945	\$ 6,495	\$ (1,648)	\$ 7,955	\$ 0	\$ 0	\$ 7,955
LIBRARY	48	0	15	0	33	0	0	33
AP EXAMS	52	580	580	316	368	0	0	368
SCHOLARSHIPS	38,691	33,298	20,000	0	51,989	0	0	51,989
PARKING	3,229	390	0	(3,619)	0	0	0	0
TEXTBOOKS	5,018	0	0	(5,018)	0	0	0	0
STUDENT ACTIVITY	39	0	0	0	39	0	0	39
LINK CREW	411	0	0	0	411	0	0	411
WARRIOR WEARHOUSE	7,133	0	1,037	1,037	7,133	0	0	7,133
STUDENTS INCENTIVES	75	0	0	0	75	0	0	75
LITTLE LEAGUE BASKETBALL	0	5,551	3,781	(1,770)	0	0	0	0
FMD	792	3,448	2,838	(360)	1,042	0	0	1,042
ARCHERY	5,019	0	415	(375)	4,229	0	0	4,229
ACADEMIC TEAM	204	0	375	171	0	0	0	0
AUDIO VISUAL	460	0	0	0	460	0	0	460
ATHLETICS	446	13,713	3,881	(2,519)	7,759	0	0	7,759
STARTUP CHANGE	0	600	600	0	0	0	0	0
BOYS BASKETBALL	0	5,073	7,717	2,656	12	0	0	12
GIRLS BASKETBALL	3,305	4,345	8,825	2,656	1,481	0	0	1,481
PEEWEE FOOTBALL	239	0	0	0	239	0	0	239
FOOTBALL	0	9,600	16,346	7,709	963	0	0	963
ER MS FOOTBALL	9,436	10,121	13,827	(2,500)	3,230	0	0	3,230
SOFTBALL	0	4,742	3,008	(1,734)	0	0	0	0
59TH DIST BASE/SOFT TOURN	0	3,847	574	(3,273)	0	0	0	0
BASEBALL	1	4,943	4,545	(399)	0	0	0	0
ER MS BASEBALL	705	0	0	0	705	0	0	705
ER MS BASEBALL BOOSTERS	268	0	0	0	268	0	0	268
ER MS BASEBALL BOOST CONC	586	0	0	0	586	0	0	586
VOLLEYBALL	1,534	3,572	2,800	3,487	5,793	0	0	5,793

**PIKE COUNTY BOARD OF EDUCATION
EAST RIDGE HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Fund	Cash Balance July 1, 2024	Receipts	Disburse- ments	Transfers	Cash Balance June 30, 2025	Accounts Receivable	Accounts Payable	Due to Students June 30, 2025
DISTRIC VB TOUR	1,206	0	0	0	1,206	0	0	1,206
CROSS COUNTRY	615	500	1,081	0	34	0	0	34
TRACK BOYS/GIRLS	239	0	0	0	239	0	0	239
CULTURE CLUB	117	4	117	0	4	0	0	4
CHEERLEADERS	0	0	3,364	3,364	0	0	0	0
DANCE TEAM	124	1,670	998	1,500	2,296	0	0	2,296
SPANISH	68	0	0	(68)	0	0	0	0
CTE ENTERPRISES	8,559	17,332	16,434	967	10,424	0	0	10,424
SOPHOMORES	583	78	0	0	661	0	0	661
JROTC VENDING	14,311	10,313	6,721	(4,000)	13,903	0	0	13,903
TEACHERS LOUNGE CONC	951	1,305	585	0	1,671	0	0	1,671
STUDENT VENDING	5,653	0	0	0	5,653	100	0	5,753
DUAL CREDIT	1,578	2,096	0	0	3,674	0	0	3,674
BAND/CHOIR	0	5,290	4,670	(620)	0	0	0	0
CLASS OF 2025	799	6,542	4,122	(25)	3,194	0	0	3,194
CLASS OF 2027	0	10,038	7,682	0	2,356	0	0	2,356
JROTC DRILL TEAM	2,623	0	345	1,581	3,859	0	0	3,859
DRAMA	90	1,764	1,520	0	334	0	0	334
ANNUAL YEARBOOK	11,589	3,972	6,440	0	9,121	0	0	9,121
PICTURES	1,637	0	368	0	1,269	0	0	1,269
BETA CLUB	183	0	0	(183)	0	0	0	0
NATIONAL HONOR SOCIETY	385	1,211	1,500	96	192	0	0	192
NEWSPAPER	96	0	0	(96)	0	0	0	0
CHILDREN INC	2,121	7,628	6,584	(1,217)	1,948	0	0	1,948
GUIDANCE COUNSELOR	65	0	0	(65)	0	0	0	0
GYM SIGN ADS	0	5,550	235	(5,312)	3	0	0	3
PROM	3,506	8,480	8,565	190	3,611	0	0	3,611
HOMECOMING ACTIVITIES	1,974	0	100	(842)	1,032	0	0	1,032
STUDENT ENRICHMENT	555	2,552	2,286	0	821	0	0	821

**PIKE COUNTY BOARD OF EDUCATION
EAST RIDGE HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
HOSA	495	4,154	3,607	(224)	818	0	0	818
SENIORS	0	21,906	21,906	0	0	0	0	0
SIGNS	400	300	0	0	700	0	0	700
GIFTED AND TALENTED	173	0	0	0	173	0	0	173
DOLLYWOOD	(1)	1	0	0	0	0	0	0
AWARDS BANQUET	200	0	0	0	200	0	0	200
FBLA	293	1,281	1,138	0	436	0	0	436
FLAG FOOTBALL	10	0	0	0	10	0	0	10
DAF INSTRUCTION	0	0	6,518	6,518	0	0	0	0
DAF BUILDING/GROUNDS/M&R	0	0	3,619	3,619	0	0	0	0
Total	<u><u>\$ 147,041</u></u>	<u><u>\$ 225,735</u></u>	<u><u>\$ 208,164</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 164,612</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 164,712</u></u>

**PIKE COUNTY BOARD OF EDUCATION
PHELPS HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Fund	Cash Balance July 1, 2024	Receipts	Disburse- ments	Transfers	Cash Balance June 30, 2025	Accounts Receivable	Accounts Payable	Due to Students June 30, 2025
DISTRICT SFBL	\$ 0	\$ 1,904	\$ 1,112	\$ (792)	\$ 0	\$ 0	\$ 0	\$ 0
DISTRICT BSBL	0	3,912	1,429	(2,483)	0	0	0	0
START UP MONEY	0	800	\$ 800	\$ 0	0	0	0	0
CROSS COUNTRY	3	0	0	0	3	0	0	3
ESPORTS	436	0	0	0	436	0	0	436
SPANISH	36	50	0	0	86	0	0	86
SCIENCE CLUBE	0	1,427	0	0	1,427	0	0	1,427
STEM AWARDS/SCHOLARSHIP	397	1,000	897	(500)	0	0	0	0
TRACK	1,004	1,508	1,558	0	954	0	0	954
PROGRAM BOOK - DISTRICT	0	850	50	(800)	0	0	0	0
DISTRICT GATE SALES	0	7,721	6,554	(1,167)	0	0	0	0
DISTRICT CONCESSION	0	4,045	1,354	(2,691)	0	0	0	0
DISTRICT TSHIRTS	0	2,406	0	(2,406)	0	0	0	0
DISTRICT SPONSORSHIP	0	6,000	0	(6,000)	0	0	0	0
REGION GATE	0	1,485	455	(1,030)	0	0	0	0
CTE ENTERPRISES	250	1,067	0	340	1,657	0	0	1,657
DB AWARDS/SCHOLARSHIP	300	0	300	0	0	0	0	0
GENERAL FUND	10,697	9,764	33,251	23,509	10,719	0	0	10,719
SR CLASS	168	0	0	0	168	0	0	168
FRYCS DONATIONS	60	100	56	150	254	0	0	254
VOLLEYBALL	4,614	2,739	4,425	317	3,245	0	0	3,245
JH VOLLEYBALL	3,446	4,265	4,756	(378)	2,577	0	0	2,577
ART CLUB	662	109	453	0	318	0	0	318
JKG	291	4,953	4,343	500	1,401	0	0	1,401
LOCKERS	0	180	0	(180)	0	0	0	0
CHEER	614	5,025	4,213	0	1,426	0	0	1,426
WRESTLING	7,476	100	1,505	0	6,071	0	0	6,071
BOYS VARSITY BASKETBALL	2,446	15,767	17,700	1,374	1,887	0	0	1,887

**PIKE COUNTY BOARD OF EDUCATION
PHELPS HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
BOYS VARSITY CONCESSION	0	2,776	1,903	(873)	0	0	0	0
GIRLS VARSITY BASKETBALL	7,656	14,986	17,748	625	5,519	0	0	5,519
CON GIRLS VASITY BBALL	0	1,574	213	(1,361)	0	0	0	0
FOOTBALL CONCESSIONS	3,395	13,962	13,419	963	4,901	0	0	4,901
BASEBALL CONCESSION	1,190	3,380	4,298	1,785	2,057	0	0	2,057
SOFTBALL CONCESSION	0	4,037	1,374	(774)	1,889	0	0	1,889
JR HIGH SOFTBALL	0	1,900	432	901	2,369	0	0	2,369
JH BASEBALL	2,232	4,577	6,286	(420)	103	0	0	103
CONCESSION JH BASEBALL	0	995	431	(564)	0	0	0	0
JH BOYS BASKETBALL	3,188	4,031	5,455	(93)	1,671	0	0	1,671
JH FOOTBALL	1	0	0	0	1	0	0	1
JH GIRLS BASKETBALL	888	1,455	1,142	548	1,749	0	0	1,749
PHELPS ELEM LL BBALL	540	0	0	0	540	0	0	540
NATIONAL HONOR SOCIETY	217	274	491	0	0	0	0	0
JROTC	2,347	0	2,347	0	0	0	0	0
FBLA	55	250	0	0	305	0	0	305
VARSITY ACADEMIC TEAM	72	0	0	0	72	0	0	72
JR HIGH ACADEMIC TEAM	322	0	0	0	322	0	0	322
PROM	1	8,277	8,275	0	3	0	0	3
CHILDREN INC	319	21,503	21,266	0	556	0	0	556
SCHOOL STORE	(1)	24,602	17,606	300	7,295	0	0	7,295
TEACHER VENDING (POP)	2,325	3,138	4,837	0	626	0	0	626
STLP	5	0	0	0	5	0	0	5
JR HIGH SFBL CONCESSION	0	2,036	68	(1,968)	0	0	0	0
BASEBALL CONCESSION	1	2,089	972	(1,118)	0	0	0	0
4-H CLUB	2	0	0	0	2	0	0	2
PARKING TAGS	0	140	0	(140)	0	0	0	0
GRAPHICS ACCOUNT	0	0	0	140	140	0	0	140

**PIKE COUNTY BOARD OF EDUCATION
PHELPS HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
FMD UNIT	215	541	752	0	4	0	0	4
BAND	3,886	9,013	11,544	0	1,355	0	0	1,355
GENERAL SPORTS FUND	1,479	490	2,227	2,958	2,700	0	0	2,700
JH ACTIVITIES	35	150	0	0	185	0	0	185
BETA CLUB	290	90	252	0	128	0	0	128
CON JH BOYS BASKETBALL	0	2,843	269	(2,574)	0	0	0	0
CON JH GIRLS BASKETBALL	0	654	0	(654)	0	0	0	0
SOFTBALL CONCESSION	0	937	0	(937)	0	0	0	0
FOOTBALL CONCESSIONS	0	5,513	2,229	(3,284)	0	0	0	0
VOLLEYBALL CONCESSIONS	0	2,374	436	(1,938)	0	0	0	0
JH VOLLEYBALL CONCESSIONS	0	2,465	1,080	(1,385)	0	0	0	0
JR HIGH CHEER	13	0	0	0	13	0	0	13
DAF INSTRUCTION	0	0	1,200	1,200	0	0	0	0
DAF ATHLETICS	0	0	720	720	0	0	0	0
DAF BUILDING/GROUNDS M&R	0	0	180	180	0	0	0	0
TOTAL	<u><u>\$ 63,573</u></u>	<u><u>\$ 218,229</u></u>	<u><u>\$ 214,663</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 67,139</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 67,139</u></u>

**PIKE COUNTY BOARD OF EDUCATION
PIKE COUNTY CENTRAL HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
GENERAL FUND	\$ 2,182	\$ 13,708	\$ 5,753	\$ (404)	\$ 9,733	\$ 0	\$ 403	\$ 9,330
PARKING PERMITS	850	460	0	(1,130)	180	0	0	180
STUDENT FEES	370	0	0	(370)	0	0	0	0
MEMORIAL	227	0	0	0	227	0	0	227
CONCESSION	2,473	8,193	6,730	(1,713)	2,223	0	0	2,223
AP CLASSES	0	3,340	2,580	0	760	0	0	760
HALL OF FAME	23	0	0	0	23	0	0	23
SCHOOL PICTURES	213	1,005	0	0	1,218	0	0	1,218
STAFF VENDING	723	1,674	1,511	0	886	0	0	886
ATHLETIC	4,759	31,024	41,425	6,709	1,067	0	0	1,067
START UP MONEY	0	1,000	1,000	0	0	0	0	0
VARSITY CHEERLEADING	855	77,173	57,164	0	20,864	0	0	20,864
VARSITY CHEERLEADING CONCESSION	2,979	1,760	0	0	4,739	0	0	4,739
BASEBALL	2,423	23,478	28,552	3,500	849	1,033	0	1,882
BASEBALL CONCESSION	500	5,047	0	(3,500)	2,047	0	0	2,047
CENTRAL MIDDLE BASEBALL	339	2,492	4,140	1,700	391	0	0	391
CENTRAL MIDDLE BASEBALL CONCESSION	26	2,059	0	(1,700)	385	0	0	385
BOYS BASKETBALL	21	7,473	11,563	5,000	931	0	184	747
BOYS BB CONCESSION	6,054	13,912	2,854	(4,631)	12,481	0	0	12,481
FOOTBALL	1,892	15,159	24,424	7,686	313	0	0	313
FOOTBALL CONCESSION	1,075	5,420	1,073	(5,422)	0	0	0	0
GIRLS BASKETBALL	2,704	17,668	18,662	0	1,710	0	114	1,596
GIRLS BB CONCESSION	(1)	10,404	1,384	16	9,035	0	0	9,035
SOFTBALL	0	20,211	19,753	1,494	1,952	1,033	1,841	1,144
SOFTBALL CONCESSION	3,440	2,453	144	(2,000)	3,749	0	81	3,668
VOLLEYBALL	1,070	25,244	17,458	(4,096)	4,760	0	0	4,760
VOLLEYBALL CONCESSION	2,813	6,102	1,274	0	7,641	0	0	7,641
WRESTLING	0	2,090	2,215	125	0	0	0	0
BOYS TRACK	0	686	740	100	46	0	0	46

**PIKE COUNTY BOARD OF EDUCATION
PIKE COUNTY CENTRAL HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
GIRLS TRACK	123	126	100	0	149	0	0	149
GOLF (GIRLS)	101	0	0	0	101	0	0	101
GOLF (BOYS)	1,307	6,952	6,975	(250)	1,034	0	0	1,034
BASS FISHING	424	0	0	0	424	0	0	424
GIRLS SOCCER	2,300	5,320	4,364	(1,859)	1,397	0	0	1,397
SOCCER CONCESSION	0	614	0	0	614	0	0	614
BOYS SOCCER	0	4,971	3,857	(1,065)	49	0	0	49
BOYS SOCCER CONCESSION	0	450	0	0	450	0	0	450
15TH REGIONAL BASKETBALL	0	103,157	99,277	(3,880)	0	0	0	0
ARCHERY	3,517	4,180	6,814	0	883	0	0	883
ARCHERY CONCESSION	2,393	1,460	0	0	3,853	0	0	3,853
SENIOR TRIP	847	34,169	34,575	253	694	0	0	694
ACADEMIC	2,252	0	673	(132)	1,447	0	38	1,409
INTERACT	711	0	150	0	561	0	0	561
FBLA	0	255	0	0	255	0	0	255
CTE (SCHOOL STORE)	1,240	1,045	274	490	2,501	0	0	2,501
PEP CLUB	269	0	0	0	269	0	0	269
PROJECT PROM	536	5,962	6,217	0	281	0	0	281
STUDENT ACTIVITIES	364	0	315	0	49	0	0	49
SCIENCE CLUB	246	0	0	0	246	0	0	246
STUDENT COUNCIL	493	0	57	0	436	0	0	436
SPANISH CLUB	235	0	0	0	235	0	0	235
BETA CLUB	2,931	8,195	6,844	478	4,760	0	0	4,760
FCA	167	128	0	0	295	0	0	295
FEA	533	0	0	0	533	0	0	533
NHS	1,940	967	2,105	0	802	0	0	802
ART	807	0	0	0	807	0	0	807
CLASS OF 2025	0	6,665	5,252	240	1,653	0	1,680	(27)
CLASS OF 2024	732	0	0	(732)	0	0	0	0

**PIKE COUNTY BOARD OF EDUCATION
PIKE COUNTY CENTRAL HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
PROM	3,258	9,955	9,539	0	3,674	0	0	3,674
BAND	8,285	48,142	53,088	2,801	6,140	0	0	6,140
CHORUS	42	6,587	3,755	(2,801)	73	0	0	73
JR. ROTC	302	4	247	0	59	0	0	59
HOSA	998	1,921	2,715	0	204	0	0	204
MEDICAID NURSE	95	770	861	0	4	0	0	4
YEARBOOK	995	520	2,652	1,137	0	0	0	0
THEATRE	51	0	0	0	51	0	0	51
LIBRARY	0	900	0	0	900	0	0	900
HVPA	49	0	0	0	49	0	0	49
EXPLORER'S	780	432	833	0	379	0	0	379
CENTRAL PERK CAFÉ	0	140	0	0	140	0	0	140
LAUREN SLONE SCHOLARSHIP	0	2,000	500	0	1,500	0	0	1,500
KEY CLUB	554	0	0	0	554	0	0	554
NATIONAL HISTORY DAY	567	0	0	0	567	0	0	567
CHILDREN INC	1,309	6,006	3,656	(971)	2,688	0	661	2,027
DAF BUILDING/GROUND	0	0	4,927	4,927	0	0	0	0
Total	\$ 79,763	\$ 561,228	\$ 511,021	\$ 0	\$ 129,970	\$ 2,066	\$ 5,002	\$ 127,034

**PIKE COUNTY BOARD OF EDUCATION
SHELBY VALLEY HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

Fund	Cash Balance July 1, 2024	Receipts	Disburse- ments	Transfers	Cash Balance June 30, 2025	Accounts Receivable	Accounts Payable	Due to Students June 30, 2025
DAF PRINCIPALS OFFICE	\$ 0	\$ 0	\$ 525	\$ 525	\$ 0	\$ 0	\$ 0	\$ 0
DAF BUILDING GROUNDS M & R	0	0	16,000	16,000	0	0	0	0
ESPORTS	50	0	693	900	257	0	0	257
TECHNOLOGY STUDENTS	818	856	256	0	1,418	0	0	1,418
ARCHERY	3,339	15,624	15,776	(206)	2,981	0	0	2,981
ACADEMIC TEAM	0	4,003	3,196	(807)	0	0	0	0
ALUMNI ASSOCIATION	19,392	0	1,045	(14,060)	4,287	0	0	4,287
BAND BOOSTERS	3,165	15,782	12,734	1,485	7,698	0	0	7,698
ATHLETICS	1,940	35,038	22,220	(6,950)	7,808	0	0	7,808
BLUE CREW	0	117	0	0	117	0	0	117
BASEBALL	0	1,477	4,437	2,960	0	0	0	0
BASEBALL BOOSTERS	2,986	2,313	8,876	3,577	0	0	0	0
BASKETBALL-BOYS	0	6,558	12,585	6,027	0	0	0	0
BASKETBALL GIRLS	0	0	868	868	0	0	0	0
GIRLS B BALL BOOSTERS	11,545	7,223	8,790	100	10,078	0	0	10,078
BETA CLUB	264	975	1,104	0	135	0	0	135
CTE ENTERPRISES	4,642	6,973	7,475	3,046	7,186	0	0	7,186
CHEERLEADING	18,929	59,863	53,994	(6,529)	18,269	0	0	18,269
CHOIR	992	2,762	3,953	830	631	0	0	631
CATS	(1)	1,184	451	0	732	0	0	732
BAND/CHOIR	12,688	61,031	63,706	(2,468)	7,545	0	0	7,545
CHILDREN INC	1,657	6,125	5,631	0	2,151	0	0	2,151

**PIKE COUNTY BOARD OF EDUCATION
SHELBY VALLEY HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
VENDING CONCESSIONS	1,470	51,891	31,630	(18,996)	2,735	0	0	2,735
CROSS COUNTRY	0	0	869	869	0	0	0	0
CULINARY SKILLS	355	0	157	0	198	0	0	198
DANCE TEAM	7,167	11,743	7,919	0	10,991	0	0	10,991
DISTRICT TOURNAMENT	0	15,277	1,884	(13,393)	0	0	0	0
REGIONAL TOURNAMENT	0	3,866	493	(3,373)	0	0	0	0
YOUTH SERVICE CENTER	97	0	95	0	2	0	0	2
FBLA	1,477	4,012	3,686	0	1,803	0	0	1,803
FCCLA	515	9,190	8,470	(610)	625	0	0	625
FCA	1,005	652	1,045	(146)	466	0	0	466
FOOTBALL	0	3,000	19,399	16,399	0	0	0	0
LIBRARY	484	0	352	0	132	0	0	132
FOOTBALL BOOSTERS	1,848	31,528	43,990	10,614	0	0	0	0
LOCKER RENTAL	70	0	0	(70)	0	0	0	0
GENERAL	4,022	19,708	22,709	(597)	424	0	0	424
GOLF	0	5,640	4,741	65	964	0	0	964
JROTC	1,326	3,220	3,768	642	1,420	0	0	1,420
JV CHEERLEADING	2,229	0	0	(2,229)	0	0	0	0
YEARBOOK	4,566	5,081	4,841	0	4,806	0	0	4,806
TECHNOLOGY FEE	9,365	3,212	0	(9,000)	3,577	0	0	3,577
TEACHERS LOUNGE	971	335	697	0	609	0	0	609
JUNIOR CLASS	5,793	4,071	2,832	(5,666)	1,366	0	0	1,366
JAG	583	0	0	0	583	0	0	583

**PIKE COUNTY BOARD OF EDUCATION
SHELBY VALLEY HIGH SCHOOL
ACTIVITY FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Fund</u>	<u>Cash Balance July 1, 2024</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2025</u>	<u>Accounts Receivable</u>	<u>Accounts Payable</u>	<u>Due to Students June 30, 2025</u>
NATIONAL HONOR SOCIETY	1,064	8,124	7,579	137	1,746	0	0	1,746
PARKING PERMITS	180	2,470	300	(175)	2,175	0	0	2,175
PICTURE ORDERS	3,450	0	0	(3,450)	0	0	0	0
PROM	4,071	21,740	20,868	0	4,943	0	0	4,943
PROJECT PROM	236	0	192	0	44	0	0	44
SCIENCE FAIR	202	0	0	(202)	0	0	0	0
SENIOR CLASS	2	34,438	41,473	7,033	0	0	0	0
BOYS/GIRLS SOCCER	0	3,069	5,306	2,237	0	0	0	0
SOFTBALL	0	2,979	7,448	4,469	0	0	0	0
SOPHOMORE CLASS	127	3,720	2,188	(126)	1,533	0	0	1,533
SOFTBALL BOOSTERS	4,642	2,859	11,259	9,123	5,365	0	0	5,365
SWIMMING	0	875	979	104	0	0	0	0
SEASON STARTUP	0	2,500	2,500	0	0	0	0	0
TENNIS	0	6,335	4,703	(1,632)	0	0	0	0
INSTRUCTION FEE	1,760	350	0	(2,110)	0	0	0	0
TRACK	0	6,032	6,494	503	41	0	0	41
PRINCIPAL'S ADVISORY	250	500	744	(6)	0	0	0	0
VOLLEYBALL	0	0	5,372	5,372	0	0	0	0
VOLLEYBALL BOOSTER	5,963	22,135	23,043	(1,084)	3,971	0	0	3,971
TOTAL	\$ 147,696	\$ 518,456	\$ 544,340	\$ 0	\$ 121,812	\$ 0	\$ 0	\$ 121,812

**PIKE COUNTY BOARD OF EDUCATION
BOARD MEMBERS AND OTHER OFFICERS OF THE BOARD
JUNE 30, 2025**

<u>NAME</u>	<u>Title</u>	<u>ADDRESS</u>
Ireland Blankenship	Chairman	Virgie, KY
Stephany Lowe	Vice-chairman	Pikeville, KY
Joshua Leonard	Appointed April 2022	South Williamson, KY
Dwayne Abshire		Phyllis, KY
Shane Hurley		Phelps, KY
Kenneth R. Adkins	Superintendent	
Freddie Bowling	Assistant Superintendent	

**OTHER REPORTS REQUIRED
BY GOVERNMENT AUDITING STANDARD**

Wallen, Puckett, & Associates, PSC

CERTIFIED PUBLIC ACCOUNTANTS

106 Fourth Street • Post Office Box 1349 • Pikeville, Kentucky 41502

J. Don Wallen, CPA
L. Kevin Puckett, CPA
Johnny K. White, CPA

Phone: 606-432-8833
Fax: 606-432-8466

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 Board of Education Audits
Members of the Pike County Board of Education
Pikeville, 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, Appendix I to the Independent auditor, contract-general audit requirements, and Appendix II to the Independent Auditor's contract-state audit requirement, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pike County Board Of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Pike County Board Of Education's basic financial statements, and have issued our report thereon dated December 19, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pike County Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pike County Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pike County Board of Education's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pike County Board of Education'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

WALLEN, PUCKETT, AND ASSOCIATES, P. S. C.

Wallen, Puckett and Associates, PSC

Certified Public Accountants
Pikeville, Kentucky

December 19, 2025

Wallen, Puckett, & Associates, PSC
CERTIFIED PUBLIC ACCOUNTANTS

106 Fourth Street • Post Office Box 1349 • Pikeville, Kentucky 41502

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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 Board of Education Audits
Members of the Pike County Board of Education
Pikeville, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pike County Board of Education's 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 Pike County Board of Education's major federal programs for the year ended June 30, 2025. Pike County Board of Education'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, Pike County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Pike County Board of Education 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 Pike County Board of Education'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 Pike County Board of Education'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 Pike County Board of Education'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 Pike County Board of Education'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 Pike County Board of Education'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 Pike County Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pike County Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

WALLEN, PUCKETT, AND ASSOCIATES, P. S. C.

Wallen, Puckett and Associates, PSC

Certified Public Accountants
Pikeville, Kentucky

December 19, 2025

FEDERAL FINANCIAL ASSISTANCE

**PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor</u> <u>Pass-Through Grantor</u> <u>/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through State Department of Education:			
Title I Part A Cluster			
Title I Grants to Local Educational Agencies	84.010	3100002	\$ 5,000
Title I Grants to Local Educational Agencies - Parent Involvement	84.010	3100002	3,886
Title I Grants to Local Educational Agencies	84.010	3100002	1,354,154
Title I Grants to Local Educational Agencies - Parent Involvement	84.010	3100002	63,007
Title I Grants to Local Educational Agencies	84.010	3100002	3,772,717
Title I Grants to Local Educational Agencies - Parent Involvement	84.010	3100002	38,030
Total Title I Part A Cluster			<u>\$ 5,236,794</u>
<u>Passed Through Department of Juvenile Justice</u>			
Title I- Neglected and Delinquent Children - Day Treatment	84.013	N/A	\$ 799
Total pass-through Department of Juvenile Justice			<u>\$ 799</u>
Special Education Cluster			
Special Education-Grants to States (IDEA, Part B)	84.027	3810002	\$ 803,942
Special Education-Grants to States (IDEA, Part B) - Private	84.027	3810002	912,001
Special Education-Grants to States (IDEA, Part B)	84.027	3810002	1,868
Special Education-Grants to States (IDEA, Part B) - Preschool	84.173	3800002	27,521
Total Special Education Cluster			<u>\$ 1,745,332</u>
Career and Technical Education-Basic Grants to States (Perkins V)			
Vocational Education Basic	84.048	3710002	\$ 1,694
Vocational Education Basic - Carryover	84.048	3710002	5,392
Vocational Education Basic	84.048	3710002	67,916
Total Career and Technical Education-Basic Grants to States (Perkins V)			<u>\$ 75,002</u>
Title IV-Rural/Low Income	84.358B	3140002	\$ 521,245
Total Title IV-Rural/Low Income			<u>\$ 521,245</u>
Striving Readers Comp Literacy	84.371C	3220002	\$ 149,373
Total Striving Readers Comp Literacy			<u>\$ 149,373</u>

See accompanying notes to schedule of expenditures of federal awards.

**PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<u>Pass-Through Grantor</u>			
<u>/Program or Cluster Title</u>			
Title IV-Part A	84.424A	3420002	\$ 19,074
Title IV-Part A	84.424F	3420002	96,487
Total Title IV-Part A			<u>\$ 115,561</u>
Race to the Top - District			
ESSER III Funds	84.425D	3420002	\$ 11,038,300
ESSER III Funds - Loss of Learning	84.425D	3420002	735,527
ESSER III-PREDICTOR IMPLEMENT PRJ-ARP	84.425U	N/A	84,201
COVID-19 - ARP HOMELESS	84.425W	N/A	50,014
COVID-19 - ARP HOMELESS	84.425W	N/A	51,185
COVID-19 - ARP HOMELESS	84.425W	N/A	28
Deeper Learning Initiative	84.425O	N/A	16,677
Total Race to the Top - District			<u>\$ 11,975,932</u>
<u>Passed Through Berea College</u>			
Gaining Early Awareness and Readiness for Undergraduate Programs (GE	84.334A	N/A	\$ 636,845
Total pass-through Berea College			<u>\$ 636,845</u>
Total US Department of Education			<u>\$ 20,456,883</u>
<u>US DEPARTMENT OF DEFENSE</u>			
MJROTC	12.000	N/A	\$ 237,044 X
Total MJROTC			<u>\$ 237,044</u>
Total U. S. Department of Defense			<u>\$ 237,044</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<u>Passed Through Big Sandy Community Action Program</u>			
Head Start Covid Funding Cleaning	93.600	04CH0712	\$ 126
Head Start	93.600	04CH0712	823,068
Head Start	93.600	04CH0712	2,434,561
Total Head Start			<u>\$ 3,257,755</u>
Total U. S. Department of Health and Human Services			<u>\$ 3,257,755</u>

See accompanying notes to schedule of expenditures of federal awards.

**PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<u>Pass-Through Grantor</u>			
<u>/Program or Cluster Title</u>			
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<u>Passed Through State Department of Education:</u>			
Child Nutrition Clusters			
<u>Passed Through State Department of Agriculture</u>			
Food Donation	10.555	N/A	\$ 454,524
<u>Passed Through State Department of Education</u>			
School Breakfast Program	10.553	7760005	1,892,289
National School Lunch Program	10.555	7750002	1,176,461
National School Lunch Program	10.555	7750002	951,498
National School Lunch Program	10.555	7750002	2,903,975
National School Lunch Program	10.559		35,775
National School Lunch Program	10.559		442,754
State Administrative Expenses for Child Nutrition	10.560	7700001	17,988
Total Child Nutrition Clusters			<u>\$ 7,875,264</u>
Total U.S. Department of Agriculture			<u>\$ 7,875,264</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 31,826,946</u></u>

See accompanying notes to schedule of expenditures of federal awards.

**PIKE COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2025**

NOTE A—BASIS OF PRESENTATION

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

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Pike County Board of Education has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE C – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair value of the commodities disbursed totaling \$454,524.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Pike County Board of Education were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Pike County Board of Education were disclosed during the audit.
4. No significant deficiency in internal control over major federal award programs was disclosed during the audit. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for Pike County Board of Education expresses an unmodified opinion on all major federal programs.
6. No Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs were:

Name	CFDA #
US Department of Education – Title I Grants to Local Educational Agencies	84.010
US Department of Education – Special Education Grant to States	84.027
US Department of Education – Special Education Grant to States	84.173

8. The threshold for distinguishing Types A and B programs was \$954,808.
9. Pike County Board of Education was determined to be a low-risk auditee.

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to federal awards.

SECTION III – FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings or questioned costs related to the major federal programs which are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance.

**PIKE COUNTY BOARD OF EDUCATION
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no findings in the prior year.

MANAGEMENT LETTER AND MANAGEMENT POINTS

Wallen, Puckett, & Associates, PSC

CERTIFIED PUBLIC ACCOUNTANTS

106 Fourth Street • Post Office Box 1349 • Pikeville, Kentucky 41502

J. Don Wallen, CPA
L. Kevin Puckett, CPA
Johnny K. White, CPA

Phone: 606-432-8833
Fax: 606-432-8466

MANAGEMENT LETTER

Members of the Board of Education and Management
Pike County Board of Education
Pikeville, Kentucky

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County Board of Education (the "District") as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We did not identify any deficiency in internal control that we considered to be material. However, we did identify certain immaterial items and those items are described on the accompanying schedule.

The District's written responses to the comments identified during our audit have not been subjected to the audit procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, the members of the Finance Committee and of the Board, others within the District, and the Kentucky Department of Education, and is not intended to be and should not be used by anyone other than these specified parties. We appreciate the opportunity to serve the District and are available at your convenience to answer questions or assist in the implementation of these suggestions.

WALLEN, PUCKETT, AND ASSOCIATES, P. S. C.

Wallen, Puckett and Associates, PSC

Certified Public Accountants
Pikeville, Kentucky

December 19, 2025

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

BELFRY ELEMENTARY SCHOOL
2025-01

One of the twenty-five expenditures tested resulted in a standard invoice not being present where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

BELFRY ELEMENTARY SCHOOL
2025-02

Two of the twenty-five expenditures tested resulted in the purchase order being approved after the invoice date or check date. The Redbook requires purchase orders to be approved before an order is placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed.

EAST RIDGE HIGH SCHOOL
2025-03

Two of the twenty-five expenditures tested resulted in no invoice or purchase order being present. The Redbook requires all invoices be retained and a purchase order be completed prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices and having purchase orders approved prior to an order being placed.

EAST RIDGE HIGH SCHOOL
2025-04

Five of the twenty-five expenditures tested resulted in a purchase order being approved after the invoice date. The Redbook requires purchase orders be approved prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed.

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

ELKHORN CITY ELEMENTARY SCHOOL
2025-05

Two of the twenty-five expenditures tested resulted in a standard invoice not being present where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices.

ELKHORN CITY ELEMENTARY SCHOOL
2025-06

Eleven of twenty-five expenditures tested resulted in a purchase order being approved after the invoice date. The Redbook requires purchase orders be approved prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed.

FEDS CREEK ELEMENTARY SCHOOL
2025-07

One of the twenty-five expenditures tested resulted in no standard invoice where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

FEDS CREEK ELEMENTARY SCHOOL
2025-08

Four of the twenty-five expenditures tested resulted in a purchase order being approved after the invoice date. The Redbook requires purchase orders be approved prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed.

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

FEDS CREEK ELEMENTARY SCHOOL
2025-09

One of the twenty-five expenditures tested resulted in no invoice or purchase order being present. The Redbook requires all invoices be retained and a purchase order be completed prior to an order being placed.

This was not repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices and having purchase orders approved prior to an order being placed.

FEDS CREEK ELEMENTARY SCHOOL
2025-10

One of the twenty-five expenditures tested resulted in a purchase order not being properly completed. The Redbook requires all purchase orders be completed and approved prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of properly completing purchase orders prior to an order being placed.

JOHNS CREEK ELEMENTARY SCHOOL
2025-11

Sixteen of the twenty-five expenditures tested resulted in a purchase order that was approved after the invoice date or not properly approved by principal. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed

JOHNS CREEK ELEMENTARY SCHOOL
2025-12

Six of the twenty-five expenditures tested resulted in a purchase order not being properly approved by principal. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

KIMPER ELEMENTARY SCHOOL

2025-13

Three of the twenty-five expenditures tested resulted in no invoice being present. The Redbook requires all invoices be retained.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices.

KIMPER ELEMENTARY SCHOOL

2025-14

Three of the twenty-five expenditures tested resulted in a purchase order that was approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed

MULLINS ELEMENTARY SCHOOL

2025-15

Two of the twenty-five expenditures tested resulted in no invoice being present. The Redbook requires all invoices be retained.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices.

PHELPS ELEMENTARY SCHOOL

2025-16

Five of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed.

PHELPS ELEMENTARY SCHOOL

2025-17

Two of the twenty-five expenditures tested resulted in a standard invoice not being present where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

PHELPS ELEMENTARY SCHOOL
2025-18

One of the twenty-five expenditures tested resulted in an invoice amount that does not agree with the check register. The Redbook requires vendor payments be recorded properly.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of recording vendor payments properly.

PHELPS HIGH SCHOOL
2025-19

Four of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed.

PHELPS HIGH SCHOOL
2025-20

Four of the twenty-five expenditures tested resulted in no standard invoice where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

PHELPS HIGH SCHOOL
2025-21

One of the twenty-five expenditures tested resulted in an invoice amount that does not agree with the check register. The Redbook requires vendor payments be recorded properly.

This was not a repeat finding

Management Response:

The CFO has instructed all personnel of the importance of recording vendor payments.

PIKE COUNTY CENTRAL HIGH SCHOOL
2025-22

Four of the twenty-five expenditures tested resulted in no standard invoice where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

VALLEY ELEMENTARY
2025-23

Eight of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed

DORTON ELEMENTARY SCHOOL
2025-24

Eight of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed

DORTON ELEMENTARY SCHOOL
2025-25

Two of the twenty-five expenditures tested resulted in no standard invoice where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

NORTHPOINT ACADEMY
2025-26

One of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

BEVINS ELEMENTARY SCHOOL
2025-27

One of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed

BEVINS ELEMENTARY SCHOOL
2025-28

One of the twenty-five expenditures tested resulted in no standard invoice where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

MILLARD ELEMENTARY SCHOOL
2025-29

Four of the twenty-five expenditures tested resulted in no standard invoice where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

BELFRY ELEMENTARY
2024-01

One of the twenty-five expenditures tested resulted in a standard invoice not being present where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

The deficiency was not corrected. Repeat findings for 2025 were noted.

EAST RIDGE HIGH SCHOOL
2024-02

One of the twenty-five expenditures tested resulted in no invoice or purchase order being present. The Redbook requires all invoices be retained and a purchase order be completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices and having purchase orders approved prior to an order being placed.

The deficiency was not corrected. Repeat findings for 2025 were noted.

ELKHORN CITY ELEMENTARY
2024-03

Five of the twenty-five expenditures tested resulted in no invoice being present. The Redbook requires all invoices be retained.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices.

The deficiency was corrected. Repeat findings for 2025 were not noted.

ELKHORN CITY ELEMENTARY
2024-04

One of the twenty-five expenditures tested resulted in an invoice with a payee that does not agree with the check register. The Redbook requires vendor payments be recorded properly.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of recording vendor payments properly.

The deficiency was corrected. Repeat findings for 2025 were not noted

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

ELKHORN CITY ELEMENTARY
2024-05

Eight of twenty-five expenditures tested resulted in a purchase order being approved after the invoice date. The Redbook requires purchase orders be approved prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed.

The deficiency was not corrected. Repeat findings for 2025 were noted

FEDS CREEK ELEMENTARY
2024-06

Eight of the twenty-five expenditures tested resulted in no standard invoice where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

The deficiency was not corrected. Repeat findings for 2025 were noted

FEDS CREEK ELEMENTARY
2024-07

One of the twenty-five expenditures tested resulted in a purchase order being approved after the invoice date. The Redbook requires purchase orders be approved prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed.

The deficiency was not corrected. Repeat findings for 2025 were noted

FEDS CREEK ELEMENTARY
2024-08

Twenty-three of the twenty-five expenditures tested resulted in a purchase order without an approval date. The Redbook requires purchase orders be properly completed before an order is placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly completed before an order is placed.

The deficiency was not corrected. Repeat findings for 2025 were noted

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

JOHNS CREEK ELEMENTARY
2024-09

Three of the twenty-five expenditures tested resulted in no invoice being present. The Redbook requires all invoices be retained.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

The deficiency was corrected. Repeat findings for 2025 were not noted

JOHNS CREEK ELEMENTARY
2024-10

Twenty of the twenty-five expenditures tested resulted in a purchase order that was approved after the invoice date or not properly approved by principal. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders approved prior to an order being placed

The deficiency was not corrected. Repeat findings for 2025 were noted

JOHNS CREEK ELEMENTARY
2024-11

One of the twenty-five expenditures tested resulted in an invoice with a payee that does not agree with the check register. The Redbook requires vendor payments be recorded properly.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of recording vendor payments properly.

The deficiency was corrected. Repeat findings for 2025 were not noted

KIMPER ELEMENTARY
2024-12

One of the twenty-five expenditures tested resulted in a check with only one signature. The Redbook requires two signatures on checks to vendors.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of ensuring checks to vendors contain two signatures.

The deficiency was corrected. Repeat findings for 2025 were not noted

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

KIMPER ELEMENTARY
2024-13

One of the twenty-five expenditures tested resulted in no invoice being present. The Redbook requires all invoices be retained.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices.

The deficiency was not corrected. Repeat findings for 2025 were noted

MULLINS ELEMENTARY
2024-14

Two of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date or with no approval date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed

The deficiency was corrected. Repeat findings for 2025 were not noted

MULLINS ELEMENTARY
2024-15

Two of the twenty-five expenditures tested resulted in no invoice being present. The Redbook requires all invoices be retained.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining all invoices.

The deficiency was not corrected. Repeat findings for 2025 were noted

MULLINS ELEMENTARY
2024-16

One of the twenty-five expenditures tested resulted in an invoice that was less than the amount paid to the vendor. The Redbook requires payments to vendors agree with the amount on the vendor invoice.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of ensuring payments to vendors agrees with the amount on the vendor invoice.

The deficiency was corrected. Repeat findings for 2025 were not noted

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

MULLINS ELEMENTARY
2024-17

One of the twenty-five expenditures tested resulted in physical check being marked as void, but not being voided on the check register. The Redbook requires all voided checks be recorded properly.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of properly recording voided checks.

The deficiency was corrected. Repeat findings for 2025 were not noted

PHELPS ELEMENTARY
2024-18

Two of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed.

The deficiency was not corrected. Repeat findings for 2025 were noted

PHELPS HIGH SCHOOL
2024-19

One of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed.

The deficiency was not corrected. Repeat findings for 2025 were noted

PHELPS HIGH SCHOOL
2024-20

Four of the twenty-five expenditures tested resulted in no standard invoice where one was required. The Redbook requires a standard invoice be completed when an original invoice is incomplete or missing.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of retaining proper invoices.

The deficiency was not corrected. Repeat findings for 2025 were noted

**PIKE COUNTY BOARD OF EDUCATION
MANAGEMENT LETTER POINTS
FOR THE YEAR ENDED JUNE 30, 2025**

PIKE COUNTY CENTRAL HIGH SCHOOL
2024-21

Three of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed.

The deficiency was corrected. Repeat findings for 2025 were not noted

SHELBY VALLEY HIGH SCHOOL
2024-22

One of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed

The deficiency was corrected. Repeat findings for 2025 were not noted.

VALLEY ELEMENTARY
2024-23

Three of the twenty-five expenditures tested resulted in a purchase order approved after the invoice date. The Redbook requires purchase orders be properly approved and completed prior to an order being placed.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of having purchase orders properly approved prior to an order being placed

The deficiency was not corrected. Repeat findings for 2025 were noted.

VALLEY ELEMENTARY
2024-24

One of the twenty-five expenditures tested resulted in a check with only one signature. The Redbook requires two signatures on checks to vendors.

This was not a repeat finding.

Management Response:

The CFO has instructed all personnel of the importance of ensuring checks to vendors contain two signatures.

The deficiency was corrected. Repeat findings for 2025 were not noted.