

FLOYD COUNTY SCHOOL DISTRICT

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025
with
REPORT OF INDEPENDENT AUDITORS**

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Cloyd & Associates, PSC

*Certified Public Accountants
and
Business Advisors*

INDEPENDENT AUDITORS' REPORT

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



Auditors' Responsibilities for the Audit of the Financial Statement

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 19, 2025, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
December 19, 2025

FLOYD COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025

The management of Floyd County School District offers readers this narrative overview and analysis of the financial activities and educational programs of the District for the fiscal year ended June 30, 2025. We encourage readers to review the information presented here in conjunction with additional information found within the body of this audit.

This Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Discussion and Analysis - for State and Local Governments, issued June 1999; GASB Statement No. 37, Basic Financial Statement - and Management Discussion and Analysis - for State and Local Governments: Omnibus, an Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's amendment to GASB Statements No. 21 and No. 34, issued in June 2001; and in GASB Statement No. 38, Certain Financial Statement Note Disclosures, issued in 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The ending cash balance for the District was \$23,538,134 in 2025 and \$21,050,824 in 2024.
- The General Fund had \$53,693,172 in revenue, excluding interfund transfers, capital contributions for Renaissance Learning Center, and proceeds from the sale or compensation for the loss of assets. The General Fund revenue consists primarily of our state funding allocation (SEEK) at \$27,514,118 (51.24%); and local taxation of property, franchises, and motor vehicles of \$11,782,284 (21.94%).
- Excluding both interfund transfers and the recognition of Renaissance Learning Center, General Fund expenditures totaled \$54,559,004.
- The District Food Service had revenues of \$5,823,639 and expenditures of \$5,969,795 excluding transfers.
- Bonds are issued as the District renovates facilities consistent with long-range facilities plan that is established with the community's input and keeping with the Kentucky Department of Education stringent compliance regulations. The total debt related to facilities decreased by \$4,255,000 during the current fiscal year.

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 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 primarily 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 asset acquisitions and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on the table of contents of this report.

FLOYD COUNTY SCHOOL DISTRICT**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)-CONTINUED**

YEAR ENDED JUNE 30, 2025

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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), and less any related debt used to acquire those assets that are still outstanding. The District used these capital assets to provide services to its students; consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position for the period ending June 30, 2025

Fiscal year 2025 government-wide net position compared to 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 29,211,512	\$ 27,666,171
Capital assets	152,026,352	137,198,728
Total Assets	<u>\$181,237,864</u>	<u>\$164,864,899</u>
Deferred outflow of resources	<u>\$ 13,412,363</u>	<u>\$ 18,731,388</u>
Current liabilities	\$ 7,714,710	\$ 7,848,653
Noncurrent liabilities	87,135,133	90,937,836
Total Liabilities	<u>\$ 94,849,843</u>	<u>\$ 98,786,489</u>
Deferred inflow of resources	<u>\$ 20,772,115</u>	<u>\$ 24,480,373</u>
Net investment in capital assets, net	\$ 96,726,949	\$ 77,739,686
Restricted net position	14,573,007	13,386,989
Unrestricted net position	(32,271,687)	(30,797,250)
Total Net Position	<u>\$ 79,028,269</u>	<u>\$ 60,329,425</u>

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, governmental assets exceeded liabilities by approximately \$78,653,964; proprietary assets exceeded liabilities by \$374,305, and total assets exceeded liabilities by \$79,028,269 at June 30, 2025.

FLOYD COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)-CONTINUED
YEAR ENDED JUNE 30, 2025

The following table presents a fund accounting comparison and summary of revenue and expense for Government Funds only for the fiscal years 2025 and 2024:

	2025	2024
Revenues and other financing sources		
Local revenue sources	\$ 17,104,082	\$ 16,945,875
State revenue sources	48,025,201	45,709,918
Federal revenue	17,702,994	23,547,354
Total revenue	82,832,277	86,203,147
Expenditures and other financing uses		
Instruction	39,986,095	42,516,087
Student support services	1,928,207	2,066,531
Instructional support	3,501,754	4,016,022
District administration	2,714,087	2,449,895
School administration	4,820,510	5,112,866
Business operations	1,155,531	1,110,528
Plant operation and maintenance	19,150,170	7,813,237
Student transportation	5,476,245	6,741,804
Community services	1,615,230	1,555,924
Site improvement	6,341,750	-
Building improvement	-	6,843,852
Building acquisition & construction	487,700	3,799,607
Architectural and engineering services	567,147	408,321
Debt service	6,576,065	6,702,887
Total expenditures	94,320,491	91,137,561
Excess revenues (expenditures)	(11,488,215)	(4,934,414)
Other financing sources (uses)		
Sale of equipment	2,330,923	118,590
Insurance proceeds	-	3,098,584
Other proceeds	10,708,436	292,542
Transfers in	12,647,858	12,925,238
Transfers out	(12,324,615)	(12,670,054)
Total other financing sources (uses)	13,362,602	3,764,900
Net change in fund balance	\$ 1,874,388	\$ (1,169,514)

On-behalf payments are included in the above amounts. On-behalf, as defined by the KDE, are payments the state makes on behalf of employees to the various agencies for health and life insurance, retirement, and administration fees. The on-behalf payments are allocated to expense as mandated by the KDE and are credited to revenues; therefore, have no effect on the District's fund balance.

BUDGETARY IMPLICATION

In Kentucky, the public-school fiscal year is July 1 through June 30; other programs, such as federal programs operate on a different fiscal calendar but are reflected in the District's overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a working budget with \$1,758,064 in contingency.

Comments on Budget Comparisons

- The District's total general fund revenues for the fiscal year ending June 30, 2025, were \$53,693,172, excluding transfers, capital contributions for Renaissance Learning Center, proceeds from the sale or compensation for the loss of assets.
- General fund budgeted revenue compared to actual revenue varied from line item to line item with the ending actual balance being \$225,365 more than budget or 0.42% more than budget.
- The total cost of all general fund programs and services, excluding transfers and the recognition of Renaissance Learning Center, for the fiscal year ended June 30, 2025 was \$54,559,004.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives.

Questions regarding this report should be directed to the Superintendent or the Director of Financial Services at 606-886-2354, or by mail at 442 KY RT. 550 Eastern, KY 41622.

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

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 23,101,259	\$ 436,875	\$ 23,538,134
Inventories	-	119,162	119,162
Accounts receivable:			
Taxes	1,048,769	-	1,048,769
Other	2,823,161	374,812	3,197,973
Net OPEB asset - CERS	593,271	27,114	620,385
Bond issue costs	687,089	-	687,089
Right-of-use lease asset, net of amortization	28,607	-	28,607
Net finance purchase assets, net of amortization	331,572	-	331,572
Net subscription assets, net of amortization	20,145	-	20,145
Capital Assets, net			
Nondepreciable	20,394,343	-	20,394,343
Depreciable	130,521,550	730,135	131,251,685
Total assets	179,549,766	1,688,098	181,237,864
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts from refunding bonds	45,124	-	45,124
Deferred outflows - OPEB KTRS	6,553,988	-	6,553,988
Deferred outflows - OPEB CERS	1,757,136	80,305	1,837,441
Deferred outflows - PENSION	4,758,343	217,467	4,975,810
	13,114,591	297,772	13,412,363
LIABILITIES			
Accounts payable	638,467	97,126	735,593
Advances from grantors	983,687	-	983,687
Current portion of KISTA lease obligations	321,436	-	321,436
Current maturities of bond obligations	4,395,000	-	4,395,000
Current portion of KSBIT assessment	76,704	-	76,704
Current portion of finance purchase obligations	126,493	-	126,493
Current portion of right-of-use obligations	39,684	-	39,684
Current portion of compensated absences	361,526	-	361,526
Interest payable	654,243	-	654,243
Bond premium, net of amortization	20,344	-	20,344
Net OPEB liability - KTRS	6,358,000	-	6,358,000
Net Pension liability	20,492,844	936,569	21,429,413
Noncurrent portion of KISTA lease obligations	667,767	-	667,767
Noncurrent maturities of bond obligations	49,580,000	-	49,580,000
Noncurrent portion of KSBIT assessment	330,023	-	330,023
Noncurrent portion of finance purchase obligations	236,571	-	236,571
Noncurrent portion of right-of-use obligations	8,345	-	8,345
Noncurrent portion of workers compensation liability	1,706,809	-	1,706,809
Noncurrent portion of compensated absences	6,818,205	-	6,818,205
Total liabilities	93,816,148	1,033,695	94,849,843

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

	Governmental Activities	Business- Type Activities	Total
DEFERRED INFLOW OF RESOURCES			
Deferred inflows - OPEB KTRS	7,550,000	-	7,550,000
Deferred inflows - OPEB CERS	6,843,105	312,745	7,155,850
Deferred inflows - PENSION	5,801,140	265,125	6,066,265
	<u>20,194,245</u>	<u>577,870</u>	<u>20,772,115</u>
NET POSITION			
Net investment in capital assets	95,996,814	730,135	96,726,949
Restricted for:			
Capital expenditures	13,991,623	-	13,991,623
Other	581,384	95,558	676,942
Unrestricted	<u>(31,915,857)</u>	<u>(451,388)</u>	<u>(32,367,245)</u>
Total net position	<u>\$ 78,653,964</u>	<u>\$ 374,305</u>	<u>\$ 79,028,269</u>

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities							
Instruction	\$ 34,794,415	\$ -	\$ 18,518,298	\$ -	\$ (16,276,117)	\$ -	\$ (16,276,117)
Student	1,958,448	-	661,368	-	(1,297,080)	-	(1,297,080)
Instructional support	3,504,062	-	2,810,813	-	(693,249)	-	(693,249)
District administration	2,760,383	-	661,368	-	(2,099,015)	-	(2,099,015)
School administration	4,853,755	-	1,322,736	-	(3,531,019)	-	(3,531,019)
Business support	1,157,030	-	330,684	-	(826,346)	-	(826,346)
Plant operations and maintenance	11,651,119	-	4,960,258	-	(6,690,861)	-	(6,690,861)
Student transportation	5,285,016	-	1,984,103	-	(3,300,913)	-	(3,300,913)
Community services	1,312,975	-	1,818,761	-	505,786	-	505,786
Other non-instructional	646,359	-	-	-	(646,359)	-	(646,359)
Interest on long-term debt	2,267,794	-	-	5,145,688	2,877,894	-	2,877,894
Total governmental activities	70,191,356	-	33,068,389	5,145,688	(31,977,279)	-	(31,977,279)
Business-type activities							
Food service	5,969,795	143,054	5,641,649	-	-	(185,092)	(185,092)
Day care service	88,480	102,970	11,944	-	-	26,434	26,434
Total business-type activities	6,058,275	246,024	5,653,593	-	-	(158,658)	(158,658)
Total primary government	\$ 76,249,631	\$ 246,024	\$ 38,721,982	\$ 5,145,688	(31,977,279)	(158,658)	(32,135,937)
General revenues							
Taxes:							
					8,813,910	-	8,813,910
					2,119,519	-	2,119,519
					2,608,403	-	2,608,403
					250,906	-	250,906
					1,113,824	38,936	1,152,760
					27,514,118	-	27,514,118
					12,905,956	-	12,905,956
					323,243	(323,243)	-
					2,330,924	-	2,330,924
					57,980,803	(284,307)	57,696,496
Change in net position							
					26,003,524	(442,965)	25,560,559
					52,650,440	817,270	53,467,710
Net position as of June 30, 2025							
					\$ 78,653,964	\$ 374,305	\$ 79,028,269

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

FLOYD COUNTY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Funds	Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 8,496,715	\$ -	\$ 13,713,082	\$ 891,462	\$ 23,101,259
Accounts receivable:					
Taxes	1,048,769	-	-	-	1,048,769
Other	56,015	-	-	-	56,015
Intergovernmental - state	238,885	-	-	-	238,885
Intergovernmental - federal	-	2,528,261	-	-	2,528,261
Interfund receivable	1,518,202	-	-	-	1,518,202
Total assets	\$ 11,358,586	\$ 2,528,261	\$ 13,713,082	\$ 891,462	\$ 28,491,391
LIABILITIES AND FUND BALANCES					
Liabilities					
Interfund payable	\$ -	\$ 1,518,202	\$ -	\$ -	\$ 1,518,202
Accounts payable	580,558	26,372	30,808	729	638,467
Advances from grantors	-	983,687	-	-	983,687
Total liabilities	580,558	2,528,261	30,808	729	3,140,356
Fund balances					
Restricted	-	-	13,682,274	890,733	14,573,007
Assigned	1,964,982	-	-	-	1,964,982
Unassigned	8,813,046	-	-	-	8,813,046
Total fund balances	10,778,028	-	13,682,274	890,733	25,351,035
Total liabilities and fund balances	\$ 11,358,586	\$ 2,528,261	\$ 13,713,082	\$ 891,462	\$ 28,491,391

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

Total fund balances - governmental funds	\$ 25,351,035
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	151,296,217
Deferred outflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	13,114,591
Bonds payable are not reported in the governmental fund balance sheet because they are not due and payable in the current period, but they are presented in the statement of net position.	(53,975,000)
Leases payable are not reported in the governmental fund balance sheet because they are not due and payable in the current period, but they are presented in the statement of net position.	(1,400,296)
The long term portion of compensated absences is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(7,179,731)
The long term portion of KSBIT payable is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(406,727)
Net OPEB obligation is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(5,764,729)
Net pension obligation is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(20,492,844)
Deferred inflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position.	(20,194,245)
Workers compensation payable is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(1,706,809)
Bond discount and premium are not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	666,745
Interest payable is not reported in the governmental fund balance sheet because it is not due and payable in the current period, but it is presented in the statement of net position.	(654,243)
Total net position - governmental activities	<u>\$ 78,653,964</u>

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

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

	General Fund	Special Revenue Funds	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
From local sources					
Taxes					
Property	\$ 6,803,456	\$ -	\$ -	2,010,454	\$ 8,813,910
Motor vehicle	2,119,519	-	-	-	2,119,519
Franchise	2,608,403	-	-	-	2,608,403
Other	250,906	-	-	-	250,906
Earnings on investments	489,664	3,983	605,006	15,171	1,113,824
Other local	199,898	466,208	-	1,531,414	2,197,520
Intergovernmental - State					
SEEK	27,514,118	-	-	-	27,514,118
Other	13,200,149	2,130,368	-	5,180,566	20,511,083
Intergovernmental - Federal	507,059	17,195,935	-	-	17,702,994
Total revenues	53,693,172	19,796,494	605,006	8,737,605	82,832,277
Expenditures					
Current:					
Instruction	29,368,230	9,371,050	-	1,246,815	39,986,095
Student	1,779,651	148,556	-	-	1,928,207
Instructional support	1,340,209	2,109,325	-	52,220	3,501,754
District administration	2,694,087	20,000	-	-	2,714,087
School administration	4,820,510	-	-	-	4,820,510
Business support	1,155,531	-	-	-	1,155,531
Plant operations and maintenance	18,913,364	236,806	-	-	19,150,170
Student transportation	4,733,694	720,900	-	21,651	5,476,245
Non-instructional	123	69,764	-	234,975	304,862
Community services	-	1,310,368	-	-	1,310,368
Architectural	-	-	567,147	-	567,147
Building Acquisitions and Construction	-	-	487,700	-	487,700
Site improvement	-	-	6,341,750	-	6,341,750
Debt service	462,040	-	-	6,114,025	6,576,065
Total expenditures	65,267,439	13,986,769	7,396,597	7,669,686	94,320,491
Excess (deficit) of revenues over (under) expenditures	(11,574,268)	5,809,725	(6,791,591)	1,067,919	(11,488,215)
Other financing sources (uses)					
Capital contributions	10,708,436	-	-	-	10,708,436
Sale of assets	361,155	8,038	1,961,730	-	2,330,923
Transfers in	1,431,429	93,723	6,062,193	5,060,513	12,647,858
Transfers out	(279,760)	(5,911,486)	-	(6,133,369)	(12,324,615)
Total other financing sources (uses)	12,221,260	(5,809,725)	8,023,923	(1,072,856)	13,362,602
Net change in fund balance	646,993	-	1,232,332	(4,937)	1,874,388
Fund balance as of June 30, 2024	10,131,035	-	12,449,942	895,670	23,476,647
Fund balance as of June 30, 2025	\$ 10,778,028	\$ -	\$ 13,682,274	\$ 890,733	\$ 25,351,035

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

Net change in total fund balances - governmental funds	\$ 1,874,388
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported as expenditures in the governmental fund financial statements because they use current financial resources, but they are treated as assets in the statement of net position and depreciated over their estimated economic lives. The difference is the amount by which capital outlay exceeds depreciation expense for the year.	14,864,935
Amortization of deferred outflows or resources is not recognized in the governmental fund financial statements, but is a component of interest in the Statement of Activities.	(48,449)
Bond and lease payments are recognized as expenditures of current financial resources in the governmental fund financial statements, but are reductions of liabilities in the Statement of Net Position.	4,620,901
Calculated pension and OPEB expense is not recognized on the governmental fund financial statements, but is recognized as an expense on the Statement of Activities. while pension contributions are deferred on the Statement of Net Position	4,594,967
Compensated absences are recognized by the amount earned in the statement of activities, but the governmental fund financial statements only recognize the obligations anticipated to be retired from existing financial resources.	43,509
Interest payments are recognized as expenditures of financial resources in the governmental fund financial statements, but are expensed as incurred in the Statement of Activities.	<u>53,273</u>
Change in net position - governmental activities	<u>\$ 26,003,524</u>

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2025

	Food Service Fund	Day Care Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 341,317	\$ 95,558	\$ 436,875
Inventories	119,162	-	119,162
Accounts Receivable	374,812	-	374,812
Total current assets	835,291	95,558	930,849
Noncurrent assets			
Net OPEB asset	27,114	-	27,114
Capital assets	2,471,697	-	2,471,697
Less accumulated depreciation	(1,741,562)	-	(1,741,562)
Total noncurrent assets	757,249	-	757,249
Total assets	1,592,540	95,558	1,688,098
Deferred outflow of resources			
Deferred outflows OPEB	80,305	-	80,305
Deferred outflows pension	217,467	-	217,467
Total deferred outflows	297,772	-	297,772
LIABILITIES			
Current liabilities			
Accounts payable	97,126	-	97,126
Total current liabilities	97,126	-	97,126
Noncurrent liabilities			
Net pension liability	936,569	-	936,569
Total noncurrent liabilities	936,569	-	936,569
Total liabilities	1,033,695	-	1,033,695
Deferred inflow of resources			
Deferred inflows - OPEB	312,745	-	312,745
Deferred inflows - Pension	265,125	-	265,125
Total deferred inflows	577,870	-	577,870
NET POSITION			
Net investment in capital assets	730,135	-	730,135
Unrestricted	(451,388)	-	(451,388)
Restricted	-	95,558	95,558
Total net position	\$ 278,747	\$ 95,558	\$ 374,305

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

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

	Food Service Fund	Day Care Fund	Total
Operating revenues			
Lunchroom sales	\$ 143,054	\$ -	\$ 143,054
Community services	-	102,970	102,970
Total operating revenues	143,054	102,970	246,024
Operating expenses			
Salaries and wages	1,752,304	57,295	1,809,599
Employee benefits	763,890	29,009	792,899
Materials and supplies	3,382,293	2,176	3,384,469
Depreciation	71,308	-	71,308
Total operating expenses	5,969,795	88,480	6,058,275
Operating loss	(5,826,741)	14,490	(5,812,251)
Nonoperating revenues			
Federal grants	4,948,397	-	4,948,397
State grants	413,675	11,944	425,619
Donated commodities	279,577	-	279,577
Interest income	38,936	-	38,936
Total nonoperating revenues/(expenses)	5,680,585	11,944	5,692,529
Income before contributions	(146,156)	26,434	(119,722)
Transfers and special items	(303,430)	(19,813)	(323,243)
Change in net position	(449,586)	6,621	(442,965)
Restated net position as of June 30, 2024	728,333	88,937	817,270
Net position as of June 30, 2025	\$ 278,747	\$ 95,558	\$ 374,305

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Food Service Fund	Day Care Fund	Total
Cash flows from operating activities			
Cash received from:			
Lunchroom sales	\$ 143,054	\$ 102,971	\$ 246,025
Cash paid to/for:			
Employees	(2,631,811)	(86,305)	(2,718,116)
Supplies	(3,158,233)	(2,176)	(3,160,409)
Net cash used in operating activities	(5,646,990)	14,490	(5,632,500)
Cash flows from non-capital financing activities			
Grants received	5,362,072	11,944	5,374,016
Net cash used in non-capital financing activities	5,362,072	11,944	5,374,016
Cash flows from capital and related financing activities			
Transfers	(303,430)	(19,813)	(323,243)
Purchase of capital assets	(33,997)	-	(33,997)
Net cash used in capital and related financing activities	(337,427)	(19,813)	(357,240)
Cash flows from investing activities			
Interest income	38,936	-	38,936
Net cash provided from investing activities	38,936	-	38,936
Net increase in cash and cash equivalents	(583,409)	6,621	(576,788)
Cash and cash equivalents as of June 30, 2024	924,726	88,937	1,013,663
Cash and cash equivalents as of June 30, 2025	\$ 341,317	\$ 95,558	\$ 436,875
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income/ (loss)	\$ (5,826,741)	\$ 14,490	\$ (5,812,251)
Adjustments to reconcile change in net position to net cash used in operating activities:			
Decrease in accounts receivable	(55,011)	-	(55,011)
Decrease in accounts payable	(506)	-	(506)
Net change in pension and OPEB expense	(115,617)	-	(115,617)
Inventory	-	-	-
Donated commodities	279,577	-	279,577
Depreciation	71,308	-	71,308
Net cash used in operating activities	\$ (5,646,990)	\$ 14,490	\$ (5,632,500)
Schedule of non-cash transactions:			
Depreciation	\$ 71,308	\$ -	\$ 71,308
Donated commodities	279,577	-	279,577
Total non-cash transactions	\$ 350,885	\$ -	\$ 350,885

1. REPORTING ENTITY

The Floyd 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 Floyd County School District ("District"). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds and activities relevant to the operation of the Board. The basic financial statements presented herein do not include funds of groups and organizations, which, although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc. Such funds or groups have been considered as prospective component units under GASB Statement Number 39, *Determining Whether Certain Organizations Are Component Units*, and have been determined to have insignificant assets, liabilities, equity, revenue and expenditures to be considered component units. In addition, the Board has the ability to exert little control over the fiscal activities of the funds or groups.

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

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

Floyd County School District Finance Corporation – In a prior year, the Floyd County Board of Education resolved to authorize the establishment of the Floyd County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation pursuant to Section 162.385 of the School Bond Act and Chapter 273 and Section 58.180 of the Kentucky Revised Statutes (the "Corporation") to act as an agency for the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 to its proprietary funds, unless those pronouncements conflict or contradict GASB pronouncements.

The following is a summary of the basis of presentation:

Government-wide Financial Statements - The statement of net position and the statement of revenues, expenses, and changes in net position 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, which normally are supported by tax revenues, and those that are considered business-type activities, which rely significantly on fees and charges for support.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

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

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

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

Accounting principles generally accepted in the United States of America require that the General Fund be reported as a major fund. All other governmental and proprietary funds whose assets, liabilities, revenues, or expenditures comprise at least 10% of the total for the relevant fund category and at least 5% of the corresponding total for all governmental and proprietary funds combined must also be reported as major funds.

The District has the following funds:

I. Government Fund Types

The General Fund is the main operating fund of the District. It accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balances are considered as resources available for use. This is always a major fund of the District.

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

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

I. Government Fund Types - continued

The District Activity Fund is used to account for funds that are legally restricted to expenditure for specified purposes imposed by external parties, enabling legislation, or by board action.

The Student Activity Fund is used to account for activities of student groups.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds). The Capital Projects Funds account for revenue and expenditures from three sources:

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the District's facility plan.
2. The Facility Support Program of Kentucky (FSPK) 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 Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction and/or remodeling. This fund met the requirements of a major fund.

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

II. Proprietary Fund Types (Enterprise Funds)

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

The Day Care Fund is used to account for day care service activities within the District.

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

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.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

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

Unearned Revenue/Advances from Grantors - Unearned revenue and advances from grantors arise when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue or advances from grantors. The District reports liabilities on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, grants that are intended to finance future periods are reported as unearned revenue. In subsequent periods, the liabilities for unearned revenue and/or advances are removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave, which are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position-proprietary funds as an expense with a like amount reported as donated commodities revenue.

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

Property Taxes

Property taxes are levied by September 30 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 (including exonerations) assessed for the year ended June 30, 2025, to finance the General Fund operations were \$.6850 per \$100 valuation for real property, \$.6850 per \$100 valuation for business personal property and \$.554 per \$100 valuation for motor vehicles.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Prepaid Assets

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
School buses	10 years
Other vehicles	5 years
Audio-visual equipment	15 years
Food service equipment	12 years
Furniture and fixtures	7 years
Rolling stock	15 years
Other general equipment	10 years

Right of Use Assets

Right of use assets are recorded as defined in GASB 87, Leases, which established standards for leases that were previously classified as operating leases. The right of use assets are initially measured at an amount equal to the initial related lease liability plus any lease payments made prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. The right of use assets are amortized over the life of the related lease.

Interfund Receivables and Payables

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

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation.

Sick leave eligibility and accumulation is specified in individual employment contracts. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 101, *Accounting for Compensated Absences*, the liability has been calculated using the more likely than not to be used as leave or settled at separation method and an accrual for that liability is in the Government-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

For governmental fund financial statements the current portion, if any, of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accumulated sick leave payable" in the general fund. The noncurrent portion of the liability is not reported.

Bonds and Related Premiums, Discounts, and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Discounts related to debt issuance are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Budgetary Process

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 on the modified accrual basis of accounting (budgetary) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded on the modified accrual basis of accounting (budgetary) as opposed to when susceptible to accrual (GAAP).

Once the budget is approved by the Board, it can be amended. Budgetary receipts represent original estimates modified for adjustments, if any, during the fiscal year. Budgetary disbursements represent original appropriations adjusted for budget transfers and additional appropriations, if any, approved during the fiscal year.

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

Cash and Cash Equivalents

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

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Receivables

The District recognizes revenues as receivables when they are measurable and receipt is probable. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions. Federal and state grants to be used or expended as specified by the grantor are recognized as revenue and recorded as receivables as qualifying expenditures are made.

Inventories

On government-wide and governmental fund financial statements inventories of supplies and materials are stated at cost and are expensed when used.

The school Food Service Fund inventory consists of food, supplies and U.S. Government commodities.

The Food Service Fund inventory is stated at cost and uses the specific identification method.

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

Fund Balances

Fund balances are separated into five categories, as required by GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

Nonspendable fund balance is permanently nonspendable by decree of donor. Examples would be an endowment or that which may not be used for another purpose such as amounts used to prepay future expenses or already purchased inventory on hand.

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which, for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Assigned fund balances are those amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The Board of Education allows program supervisors to complete purchase orders which result in the encumbrance of funds. Assigned fund balance also includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose.

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

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

This District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Encumbrances

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are appropriated in the next year. Encumbrances are considered a managerial assignment of fund balance at June 30, 2025, in the governmental funds balance sheet.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by the various schools. Non-operating revenues are not generated directly from the primary activity of the proprietary funds. For the School District those revenues come in the form of grants (federal and state), donated commodities, and earnings from investments.

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.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Interfund Activity

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

Estimates

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

Deferred Inflows and Deferred Outflows of Resources

Deferred inflows and deferred outflows are recorded on the government-wide and proprietary financial statements. The deferred outflows of resources presented were primarily created by differences in pension expectations, the prior refunding of revenue bonds, and deferral of pension contributions. Deferred inflows were primarily created by actuarial determinations of net pension liability changes.

Pensions and Other Post-employment Benefits

For purposes of measuring the net liabilities, the deferred outflows of resources and deferred inflows of resources, and expense related to pensions and other post-employment benefits (OPEB), information about the fiduciary net position of the pension / OPEB plans, and additions to / deductions from the pension / OPEB plans' fiduciary net position has been determined on the same basis as they are reported by the pension / OPEB plans. For this purpose, revenues are recognized when earned. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The primary government's proportionate share of pension amounts was further allocated to proprietary funds based on the salaries paid by each proprietary fund. Plan investments are reported at fair value.

Other Post-employment Benefits (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 the County Employees Retirement System Non-Hazardous (CERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investments contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

3. DEPOSITS AND INVESTMENTS

The District's deposits (demand deposit accounts) are carried at a cost which approximates fair value. At June 30, 2025, the book balance of the District's bank deposits and the bank balances were as follows:

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

3. DEPOSITS AND INVESTMENTS-CONTINUED

	<u>Bank Balance</u>	<u>Book Balance</u>
Community Trust	\$ 29,889,186	\$ 23,538,134
	<u>\$ 29,889,186</u>	<u>\$ 23,538,134</u>

Breakdown per financial statements is as follows:

Governmental funds	\$ 23,101,259
Proprietary funds	436,875
	<u>\$ 23,538,134</u>

Due to the nature of the accounts and limitations imposed for the purposes of various funds, all cash balances are considered to be restricted except for the General Fund.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2025, none of the District's bank balances were exposed to custodial credit risk because of coverage by Federal Depository insurance, collateral agreements and collateral held by the pledging banks' trust departments in the District's name.

Investments

Funds of the District are public funds and, therefore, their investment is limited by statute to certain obligations of the United States or similar government agencies, cash instruments, and certain pooled investment funds as provided by KRS 66.480. At June 30, 2025, the District holds only demand deposits and certificates of deposit considered to be cash equivalents. Consequently, the District does not have investment related credit risk or interest risk.

Investments reported on the financial statements are nonparticipating interest-earning investment contracts purchased from a bank in the form of a Certificate of Deposit. Therefore, under GASB Statement No 72, Fair Value Measurement & Application these types of investments are exempt from fair value measurements.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

4. CAPITAL ASSETS

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

	June 30, 2024 Balance	Additions	Retirements	June 30, 2025 Balance
Governmental Activities				
Land & land improvements	\$ 7,248,580	\$ 1,070,844	\$ -	\$ 8,319,424
Buildings	136,128,418	32,329,122	-	168,457,540
Technology equipment	1,581,189	78,000	-	1,659,189
Vehicles	8,226,406	823,005	-	9,049,411
General equipment	4,513,893	142,695	-	4,656,588
Infracstructure	6,695,603	-	-	6,695,603
Construction in progress	29,986,030	7,396,596	22,691,529	14,691,097
Total historical cost	194,380,119	41,840,262	22,691,529	213,528,852
Less accumulated depreciation	58,572,424	4,040,535	-	62,612,959
Governmental capital assets, net	<u>\$ 135,807,695</u>	<u>\$ 37,799,727</u>	<u>\$ 22,691,529</u>	<u>\$ 150,915,893</u>
Business-type Activities				
Building & improvements	\$ 1,481,682	\$ -	\$ -	\$ 1,481,682
Vehicles	30,937	-	-	30,937
General	925,081	33,997	-	959,078
Total historical cost	2,437,700	33,997	-	2,471,697
Less accumulated depreciation	1,670,254	71,308	-	1,741,562
Business-type capital assets, net	<u>\$ 767,446</u>	<u>\$ (37,311)</u>	<u>\$ -</u>	<u>\$ 730,135</u>

Depreciation expense for business-type activities was entirely incurred in the operation of the School Food Services. Depreciation for governmental activities was charged to governmental functions as follows:

Instruction	\$ 212,768
Student support	30,241
Instructional support	2,308
District support	46,296
School admin support	33,245
Business	1,499
Plant operation and maintenance	3,079,795
Student transportation	631,776
Community services	2,607
	<u>\$ 4,040,535</u>

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

5. OTHER LONG-TERM ASSETS

Finance Purchase Lease Obligation Assets

The District has recorded assets related to finance purchase lease obligations. These assets are amortized on a straight-line basis over the life of the lease. Finance purchase lease obligation assets activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Finance purchase assets	\$1,100,151	\$ -	\$ -	\$ 1,100,151
Totals at historical cost	1,100,151	-	-	1,100,151
Less: accumulated amortization	(602,068)	(166,511)	-	(768,579)
Finance purchase assets - net	<u>\$ 498,083</u>	<u>\$ (166,511)</u>	<u>\$ -</u>	<u>\$ 331,572</u>

Right-of-Use Lease Assets

The District has recorded right-of-use assets in relation to the lease obligations of the District. The right-of-use assets are amortized on a straight-line basis over the life of the lease. Right-of-use assets activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Right-of-use leased assets	\$ 389,892	\$ -	\$ -	\$ 389,892
Totals at historical cost	389,892	-	-	389,892
Less: accumulated amortization	(302,196)	(59,089)	-	(361,285)
Right-of-use leased assets - net	<u>\$ 87,696</u>	<u>\$ (59,089)</u>	<u>\$ -</u>	<u>\$ 28,607</u>

Leased Subscription Assets

The District has recorded leased subscription assets. The leased subscription assets are amortized on a straight-line basis over the life of the lease. The leased subscription asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Leased subscription assets	\$ 88,362	\$ -	\$ -	\$ 88,362
Totals at historical cost	88,362	-	-	88,362
Less: accumulated amortization	(50,555)	(17,662)	-	(68,217)
Leased subscription assets - net	<u>\$ 37,807</u>	<u>\$ (17,662)</u>	<u>\$ -</u>	<u>\$ 20,145</u>

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

6. LEASE LIABILITIES PAYABLE

Finance Purchase Lease Obligations

The District has entered into a lease agreement for multiple copiers. The following schedule presents the lease activity for the year ended June 30, 2025:

Interest Rate	Original Lease	Balance June 30, 2024	Lease Issued	Lease Paid	Balance June 30, 2025	Due Within One Year
Various	\$ 833,432	\$ 513,816	\$ -	\$ 150,752	\$ 363,064	\$ 126,493

The following presents a schedule by years of the future minimum lease payments under lease agreement as of June 30, 2025:

Year	Principal	Interest	Total
2025-2026	\$ 126,493	\$ 4,152	\$ 130,645
2026-2027	123,533	2,645	126,178
2027-2028	74,302	1,045	75,347
2028-2029	38,736	12	38,748
	<u>\$ 363,064</u>	<u>\$ 7,854</u>	<u>\$ 370,918</u>

Right-of-Use Lease Obligations

The District has entered into a lease agreement for multiple leased assets. The following schedule presents the lease activity for the year ended June 30, 2025:

Interest Rate	Original Lease	Balance June 30, 2024	Lease Issued	Lease Paid	Balance June 30, 2025	Due Within One Year
Various	\$ 312,965	\$ 85,247	\$ -	\$ 37,218	\$ 48,029	\$ 39,684

The following presents a schedule by years of the future minimum lease payments under lease agreement as of June 30, 2025:

Year	Principal	Interest	Total
2025-2026	\$ 39,684	\$ 2,545	\$ 42,229
2026-2027	8,345	45	8,390
	<u>\$ 48,029</u>	<u>\$ 2,590</u>	<u>\$ 50,619</u>

Right-of-Use Subscription Lease Obligations

The District has entered into a lease agreement for multiple leased intangible software assets. The following schedule presents the lease activity for the year ended June 30, 2025:

Interest Rate	Original Lease	Balance June 30, 2024	Lease Issued	Lease Paid	Balance June 30, 2025	Due Within One Year
Various	\$ 88,362	\$ 17,100	\$ -	\$ 17,100	\$ -	\$ -

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

7. LONG-TERM DEBT

Leases Payable (KISTA)

The District has entered into KISTA lease agreements for buses which will become the property of the District when all the terms of the lease agreement are met. The following schedule presents the lease activity for the year ended June 30, 2025:

Description	Maturity	Interest Rates	Original Issue	Balance June 30, 2024	Debt Issued	Debt Paid	Balance June 30, 2025	Due Within One Year
KISTA 2017	3/1/27	2.55%	\$ 1,633,180	\$ 478,255	\$ -	\$ 173,560	\$ 304,695	\$ 150,419
KISTA 2019	3/1/29	3.00%	1,063,475	520,560	-	110,819	409,741	114,012
KISTA 2020	3/1/30	2.00%	559,791	330,595	-	55,828	274,767	57,005
			<u>\$ 3,256,446</u>	<u>\$ 1,329,410</u>	<u>\$ -</u>	<u>\$ 340,207</u>	<u>\$ 989,203</u>	<u>\$ 321,436</u>

The following presents a schedule by years of the future minimum lease payments under lease as of June 30, 2025:

Year	Principal	Interest	Total
2025-26	\$ 321,436	\$ 25,557	\$ 346,993
2026-27	329,983	17,161	347,144
2027-28	147,184	8,538	155,722
2028-29	139,985	4,716	144,701
2029-30	50,615	1,012	51,627
Totals	<u>\$ 989,203</u>	<u>\$ 56,984</u>	<u>\$ 1,046,187</u>
	Less: amounts representing interest		<u>(56,984)</u>
	Net lease liability		<u>\$ 989,203</u>

Workers' Compensation Liability

The District participates in a self-insurance plan for workers' compensation. The District provides coverage up to the retention factor of \$250,000 per occurrence. Claims in excess of that amount are covered 100% by an outside insurer for workers' compensation claims. The activity during fiscal year 2025 for workers' compensation liability is as follows:

2024 Outstanding Balance	Claims & Changes in Estimates Additions	Claims Payments Retirements	2025 Outstanding Balance
\$ 1,507,217	\$ 318,047	\$ (118,455)	\$ 1,706,809

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

7. LONG-TERM DEBT - CONTINUED

KSBIT

The District elected to finance the workers' compensation insurance deficit with the now defunct Kentucky School Board Insurance Trust (KSBIT) through the Kentucky Inter-local School Transportation Association (KISTA). The activity during the fiscal year 2025 for the workers' compensation and property and liability deficit are as follows:

Interest Rate	Original Lease	Balance June 30, 2024	Lease Issued	Lease Paid	Balance June 30, 2025	Due Within One Year
3.0-4.0%	\$ 1,018,010	\$ 476,729	\$ -	\$ 70,002	\$ 406,727	\$ 76,704

The minimum lease payments are as follows:

Year	Principal	Interest	Total
2025-26	\$ 76,704	\$ 14,735	\$ 91,439
2026-27	77,692	11,647	89,339
2027-28	78,516	8,523	87,039
2028-29	84,169	5,269	89,438
2029-30	89,646	1,793	91,439
Totals	\$ 406,727	\$ 41,967	\$ 448,694
Less: amounts representing interest			(41,967)
Net lease liability			\$ 406,727

Long-Term Obligations

The amounts shown in the accompanying basic financial statements as bond obligations represent the District's future obligations to make lease payments relating to the bonds issued by the Floyd County School District Finance Corporation. The original amount of each issue, the issue date, and interest rates of bonded debt and lease obligations are summarized below:

Issue Date	Proceeds	Rates	Final Maturity
2015	\$ 52,595,000	3-4.0%	2036
2014R	\$ 6,685,000	2.25-3.0%	2026
2017	\$ 10,560,000	3-3.75%	2037
2012R	\$ 2,870,000	2.5-2.625%	2025
2013R	\$ 3,315,000	1.875-2.00%	2026
2020	\$ 2,175,000	2.00-2.125%	2035
2020E	\$ 7,215,000	2.375-5.0%	2040
202R	\$ 1,120,000	2.00%	2028

The District, through the General Fund, including utility taxes, the Facilities Support Program of Kentucky (FSPK) Building Fund, and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund, is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Floyd County School District Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

7. LONG-TERM DEBT-CONTINUED

The District entered into "participation agreements" with the Kentucky School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs.

The participation agreements generally provide for the Commission to assist the District in meeting bond obligations and are renewable, at the Commission's option, bi-annually. In 2008, the District also entered into an agreement with the Urgent Needs Trust Fund. The Urgent Needs Trust Fund was established by the 2003 Kentucky General Assembly for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Needs Trust Fund is administered by the School Facility Construction Commission. Should the Kentucky General Assembly choose to not fund the Commission in the future, the District would be responsible for meeting the full requirements of the bond issues. The following table sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues.

The liability for the total bond amount remains with the District and, as such, the total principal outstanding has been recorded in the financial statements.

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

Year	Floyd County School District		Kentucky School Facility Construction Commission		Total Principal	Total Interest
	Principal	Interest	Principal	Interest		
2025-26	\$ 3,494,828	\$ 1,578,725	\$ 900,172	\$ 153,494	\$ 4,395,000	\$ 1,732,219
2026-27	3,600,969	1,471,821	409,031	127,273	4,010,000	1,599,094
2027-28	3,719,314	1,357,686	420,686	115,618	4,140,000	1,473,304
2028-29	3,858,173	1,241,563	336,827	103,058	4,195,000	1,344,621
2029-30	3,996,729	1,117,305	348,271	91,613	4,345,000	1,208,918
2030-31	4,139,641	986,030	360,359	79,526	4,500,000	1,065,556
2031-32	4,291,880	847,322	373,120	66,766	4,665,000	914,088
2032-33	4,453,615	702,263	386,385	53,500	4,840,000	755,763
2033-34	4,614,878	551,768	400,122	39,763	5,015,000	591,531
2034-35	4,789,657	385,995	415,343	24,543	5,205,000	410,538
2035-36	4,823,712	204,100	341,288	9,562	5,165,000	213,662
2036-37	1,469,666	93,287	50,334	1,887	1,520,000	95,174
2037-38	625,000	47,025	-	-	625,000	47,025
2038-39	660,000	32,181	-	-	660,000	32,181
2039-40	695,000	16,506	-	-	695,000	16,506
	<u>\$ 49,233,062</u>	<u>\$ 10,633,577</u>	<u>\$ 4,741,938</u>	<u>\$ 866,603</u>	<u>\$ 53,975,000</u>	<u>\$ 11,500,180</u>

A summary of the changes in long-term liabilities during the fiscal year ended June 30, 2025 is as follows:

See table on next page

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

7. LONG-TERM DEBT-CONTINUED

School Long-Term Debt	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025
Bonds	\$ 58,230,000	\$ -	\$ 4,255,000	\$ 53,975,000
Finance Purchase Obligations	513,816	-	150,752	363,064
Right-of-use Obligations	85,247	-	37,218	48,029
Subscription Lease Obligations	17,100	-	17,100	-
Workers' Compensation	1,507,217	318,047	118,455	1,706,809
Unamortized bond discount	(751,825)	-	64,736	(687,089)
Unamortized bond premium	35,294	-	14,950	20,344
Net Pension Liability (Asset)	26,318,208	-	4,888,795	21,429,413
Net OPEB - CERS Liability (Asset)	(541,529)	(78,856)	-	(620,385)
Net OPEB - KTRS Liability (Asset)	7,688,000	-	1,330,000	6,358,000
KSBIT Bonded Debt	476,729	-	70,002	406,727
Compensated absences	7,223,241	-	43,510	7,179,731
	<u>\$ 100,801,498</u>	<u>\$ 239,191</u>	<u>\$ 10,990,518</u>	<u>\$ 90,179,643</u>

The change in compensated absences is presented as a net change.

8. RETIREMENT PLANS

The District's employees are provided with two pension plans, based on each position's college degree requirement. The two pension plans are County Employees Retirement System (CERS) and the Kentucky Teachers Retirement System (KTRS).

General information about the County Employees Retirement System Non-Hazardous (CERS)

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

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

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years service and 55 years of age
		At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 – December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years of age
		Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service and 60 years of age
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years of age

8. RETIREMENT PLANS-CONTINUED

Reduced retirement	Or age 57+ and sum of service years plus age equal 87 Not available
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Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement.

Contributions—Required contributions by the employee are based on the tier:

	<u>Required contribution</u>
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

Funding Policy - Funding for the plan is provided through payroll withholdings and matching District contributions. The District contributes 19.71% of the employee's total compensation subject to contribution. Pension has a contribution rate of 19.71% and OPEB has a contribution rate of 0.00%.

General information about the Teachers' Retirement System of the State of Kentucky (KTRS)

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

Benefits provided—TRS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees become vested when they complete five (5) years of credited service. For retirement purposes, employees are grouped into four tiers, based on hire date:

TRS 1	Participation Date	Before July 1, 2002
	Unreduced retirement	27 years service or at least 5 years service and 60 years old
	Reduced retirement	At least 5 years service and 55 years old with a reduction in retirement of 5% for each year under age 60 or under 27 years of service, whichever is less (up to 25%)
	Retirement factors	2.5% per year of service up to 30, 3.0% per year of service for each year over 30
	Final average salary	Average of the 5 highest annual salaries until a member reaches At least 27 years service and age 55, when the highest 3 annual Salaries are used
TRS 2	Participation Date	July 1, 2002 – June 30, 2008
	Unreduced retirement	27 years service or at least 5 years service and 60 years old
	Reduced retirement	At least 5 years service and 55 years old with a reduction in retirement of 5% for each year under age 60 or under 27 years of service, whichever is less (up to 25%)
	Retirement factors	2.0 - 2.5% per year of service up to 30, 3.0% per year of service for each year over 30

8. RETIREMENT PLANS – CONTINUED

TRS 3	Participation Date	July 1, 2008 – December 31, 2021
	Unreduced retirement	27 years service or at least 5 years service and 60 years old
	Reduced retirement	At least 10 years service and 55 years old with a reduction in retirement of 6% for each year under age 60 or under 27 years of service, whichever is less (up to 30%)
	Retirement factors	1.7 - 2.5% per year of service up to 30, 3.0% per year of service for each year over 30
	Final average salary	Average of the 5 highest annual salaries until a member reaches At least 27 years service and age 55, when the highest 3 annual Salaries are used
TRS 4	Participation Date	On or after January 1, 2022
	Unreduced retirement	Age 57 with 30 years service or at least 10 years service and 60 years old or at least 5 years service and 65 years old
	Reduced retirement	At least 10 years service and 57 years old with a reduction in retirement of 6% for each year under age 60 or under 27 years of service, whichever is less (up to 18%)
	Retirement factors	1.7 - 2.5% per year of service up to 30, 2.2 – 2.4% per year of service for each year over 30
	Final average salary	Average of the 5 highest annual salaries

KTRS also provides disability benefits for vested employees at a rate of sixty (60) percent of their final average salary. A life insurance benefit, payable upon the death of a member, is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

Contributions—Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees in TRS 1, TRS 2, and TRS 3 are required to contribute 12.855% of their salaries to the System. Non-university employees in TRS 4 are required to contribute 14.750% of their salaries to the system.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees in TRS 1 and TRS 2, 14.105% of salaries for local school district and regional cooperative employees in TRS 3, and 10.750% of salaries for local school district and regional cooperative employees in TRS 4.

For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries for employees in TRS 1 And TRS 2, 17.105% of salaries for employees in TRS 3, and 10.750% of salaries for employees in TRS 4. 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.

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

At June 30, 2025, the District reported a liability (asset) of \$21,429,413 for its proportionate share of the net pension liability (asset) for CERS. The District did not report a liability (asset) for the District's proportionate share of the net pension liability (asset) for KTRS because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability (asset), the related Commonwealth support, and the total portion of the net pension liability (asset) that was associated with the District were as follows:

See table on next page

8. RETIREMENT PLANS – CONTINUED

District's proportionate share of the CERS net pension liability (asset)	\$ 21,429,413
Commonwealth's proportionate share of the KTRS net pension liability (asset) associated with the District	90,856,863
	<u>\$ 112,286,276</u>

The net pension liability (asset) for each plan was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability (asset) for CERS was based on the actual liability (asset) of the employees and former employees relative to the total liability (asset) of the System as determined by the actuary. At June 30, 2024, the District's proportion was 0.358326%.

For the year ended June 30, 2025, the District recognized pension expense (credit) of \$(1,421,869) related to CERS. For the year ended June 30, 2025, the District recognized pension expense of \$5,905,402 revenue of \$5,905,402 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,037,223	\$ -
Changes of assumptions	-	968,189
Net difference between projected and actual earnings on pension plan investments	1,471,719	2,849,515
Changes in proportion and differences between District contributions and proportionate share of contributions	315,108	2,248,561
District contributions subsequent to the measurement date	2,151,760	-
Total	<u>\$ 4,975,810</u>	<u>\$ 6,066,265</u>

The amount of \$2,151,760 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense (credit) as follows:

Year Ended June 30	
2025	(1,932,183)
2026	(473,335)
2027	(529,641)
2028	(307,056)
	<u>\$ (3,242,215)</u>

8. RETIREMENT PLANS - CONTINUED

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

	CERS	KTRS
Inflation	2.30%	2.50%
Projected salary increases	3.30-10.30%	3.00-7.50%
Investment rate of return, net of investment expense & inflation	6.50%	7.10%
Municipal bond index rate		3.94%
Single equivalent interest rate		7.10%

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

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

For KTRS, the discount rate used to measure the total pension liability (asset) was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at the actuarially determined contribution rates for all 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 (asset).

Sensitivity of CERS and KTRS proportionate share of net pension liability (asset) to changes in the discount rate—The following table presents the net pension liability (asset) of the District, calculated using the discount rates selected by each pension system, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% increase
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability (asset)	\$ 27,626,015	\$ 21,429,413	\$ 16,287,867
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability (asset)	\$ -	\$ -	\$ -

Pension plan fiduciary net position—Detailed information about the CERS and the KTRS pension plans' fiduciary net position, projected benefits, and projected funding status is available in the separately issued financial reports at <http://kyret.ky.gov/> and <http://trs.ky.gov/>, respectively.

8. RETIREMENT PLANS - CONTINUED

The contribution requirement for CERS (both withholding and match) for the year ended June 30, 2025, 2024, and 2023 was \$2,759,028, \$3,316,890, and \$3,912,952, respectively. The contribution requirement for KTRS (both withholding and match) for the year ended June 30, 2025, 2024, and 2023 was \$4,837,483, \$4,769,495, and \$5,620,566, respectively. Per KTRS, all contributions made by the District are for health insurance and should not be considered contributions towards retirement. The District met their contribution requirements.

9. OTHER POST-EMPLOYMENT BENEFITS PLANS

General Information about the Kentucky Teachers' Retirement System of the State of Kentucky (TRS)

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

The state reports a liability (asset), 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 pension benefits described above, KRS 161.675 requires KTRS to provide post-employment healthcare benefits to eligible employees and dependents. The KTRS Medical Insurance Fund 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 employees under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. Once retired employees and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the 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 employees before July 1, 2008 is contributed. Three and three quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from Commonwealth appropriation and three percent (3.0%) from the employer.

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

At June 30, 2025, the District reported a liability (asset) of \$6,358,000 for its proportionate share of the collective net pension OPEB (asset) that reflected a reduction for state OPEB support provided to the District. The collective net pension OPEB (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) used to calculate the collective net pension OPEB (asset) was based on 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 .285229%.

9. OTHER POST-EMPLOYMENT BENEFITS PLANS - CONTINUED

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

District's proportionate share of the KTRS net OPEB liability (asset)	\$ 6,358,000
Commonwealth's proportionate share of the KTRS net OPEB liability (asset) associated with the District	5,664,000
	<u>\$ 12,022,000</u>

For the year ended June 30, 2025, the District recognized OPEB expense of \$527,652 and revenue of \$527,652 for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,909,000
Changes of assumptions	1,619,000	-
Net difference between projected and actual earnings on pension plan investments	-	204,000
Changes in proportion and differences between District contributions and proportionate share of contributions	3,484,000	5,437,000
District contributions subsequent to the measurement date	1,450,988	-
Total	<u>\$ 6,553,988</u>	<u>\$ 7,550,000</u>

The amount of \$1,450,988 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) 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 (credit) as follows:

Year ended June 30:	
2026	\$ (834,000)
2027	(373,000)
2028	(224,000)
2029	(425,000)
2030	(519,000)
Thereafter	(72,000)
	<u>\$ (2,447,000)</u>

9. OTHER POST-EMPLOYMENT BENEFITS PLANS - CONTINUED

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

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00-7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
Under 65	6.50% for FY 2024 decreasing to an ultimate rate of 4.50% by FY 2031
Medicare Part B	5.92% for FY 2024 with an ultimate rate of 4.50% by FYE 2035
Municipal Bond Index Rate	3.94%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distributions 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.

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability (asset)	\$ 8,446,000	\$ 6,358,000	\$ 4,627,000

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

Life Insurance Plan

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

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

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

9. OTHER POST-EMPLOYMENT BENEFITS PLANS - CONTINUED

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

At June 30, 2025, the District did not report a liability (credit) for its proportionate share of the collective net OPEB liability (asset) 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 (asset) that was associated with the District were as follows:

District's proportionate share of the KTRS net OPEB	
Life Insurance Plan liability (asset)	\$ -
Commonwealth's proportionate share of the KTRS net OPEB	
Life Insurance liability (asset) associated with the District	129,000
	<u>\$ 129,000</u>

For the year ended June 30, 2025, the District recognized OPEB expense of \$15,795 and revenue of \$15,795 for support provided by the State.

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

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

The remaining actuarial assumptions (e.g., initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2024 valuation were based on a review of recent plan experience done concurrently with the June 30, 2024 valuation.

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

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

9. OTHER POST-EMPLOYMENT BENEFITS PLANS - CONTINUED

General information about the County Employees Retirement System Non-Hazardous (CERS)

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

Benefits provided—CERS provides hospital and medical insurance for eligible members receiving benefits from the pension plan. Employees are vested in the plan after five years' service. For plan purposes, employees are grouped into two groups, based on hire date. Members who reach a minimum vesting period of 10 years, and began participating 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. For members participating prior to July 1, 2003, are paid up to a maximum of \$13.18 per month for every year of earned service. The percentage of the maximum monthly benefit paid is based on years of service as follows:

Years of Service	Paid by Insurance Fund (%)
20+ years	100.00%
15-19 years	75.00%
10-14 years	50.00%
4-9 years	25.00%
Less than 4 years	0.00%

Contributions—Required contributions by the employee are based on the tier:

Tier 1	Participation date	Before September 1, 2008
	Contribution percentage	0.00%
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Contribution percentage	1.00%
Tier 3	Participation date	After December 31, 2013
	Contribution percentage	1.00%

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

At June 30, 2025, the District reported a liability (asset) of \$(620,385) for its proportionate share of the collective net pension OPEB (asset) that reflected a reduction for state OPEB support provided to the District. The collective net pension OPEB (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) used to calculate the collective net pension OPEB liability (asset) was based on 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 .358645%.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

9. OTHER POST-EMPLOYMENT BENEFITS PLANS - CONTINUED

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

District's proportionate share of the CERS net OPEB liability (asset)	\$ (620,385)
	<u>\$ (620,385)</u>

For the year ended June 30, 2025, the District recognized OPEB expense (credit) of \$(1,223,500). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 344,182	\$ 4,881,205
Changes of assumptions	562,143	437,747
Net difference between projected and actual earnings on pension plan investments	545,334	1,111,471
Changes in proportion and differences between District contributions and proportionate share of contributions	385,782	725,427
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 1,837,441</u>	<u>\$ 7,155,850</u>

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

Year ended June 30:	
2025	\$ (2,044,728)
2026	(1,595,859)
2027	(1,505,298)
2028	(172,524)
	<u>\$ (5,318,409)</u>

9. OTHER POST-EMPLOYMENT BENEFITS PLANS - CONTINUED

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

Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.30-10.30%, including inflation
Inflation rate	2.30%
Payroll growth rate	2.00%
Healthcare cost trend rates	
Pre 65	6.20% for FY 2024 decreasing to an ultimate rate of 4.05% by FY 2035
Post 65	9.00% for FY 2024 with an ultimate rate of 4.05% by FYE 2035
Municipal Bond Index Rate	3.97%
Discount Rate	5.99%

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distributions 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.

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	4.99%	5.99%	6.99%
District's proportionate share			
of net OPEB liability (asset)	\$ 838,830	\$ (620,385)	\$ (1,847,295)

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
District's proportionate share			
of net OPEB liability (asset)	\$ (1,492,570)	\$ (620,385)	\$ 395,650

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

10. DEFERRED COMPENSATION

The District offers its employees participation in a deferred compensation program administered by the Kentucky Public Employees' Deferred Compensation Authority. This program offers a plan authorized by Section 457(b) of the Internal Revenue Code and a plan authorized by Section 401(k) of the Internal Revenue Code. Both plans are available to all employees and permit them to defer up to 25% of their compensation (subject to limits) until future years. The District makes no contributions to these plans.

11. CONTRIBUTED CAPITAL

The U.S. Army Corp of Engineers and the Floyd County Fiscal Court entered into a Project Cooperation Agreement to construct the Floyd County Board of Education's Renaissance Learning Center in Fiscal Year 2016. During the fiscal year ending June 30, 2025, the building and land was officially donated to the District. The District recorded contributed capital of \$10,708,436 within the General Fund for the fiscal year ending June 30, 2025.

12. CONTINGENCIES

Grants - The District receives funding from Federal, State, and Local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if based on the grantor's review the funds are considered not to have been used for the intended purpose, the grantor may request a refund of funds advanced, or refuse to reimburse the District for its disbursements, and the collectability of any related receivables as of June 30, 2025 may be impaired. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

13. LITIGATION

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

14. RISK MANAGEMENT

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. Settled claims resulting from these risks have created a potential liability as discussed in the *Litigation* disclosure above.

Contributions for Workers' Compensation coverage are based on premium rates established in conjunction with the insurance carrier, subject to claims experience modifications and discounts.

15. DEFICIT FUND BALANCES

The District had no funds with a deficit balance at June 30, 2025.

16. COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. Failure to comply with this requirement may put the school district at risk for a substantial loss. There were no instances of noncompliance noted.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED
YEAR ENDED JUNE 30, 2025

17. TRANSFER OF FUNDS

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Matching	General	Special Revenue	KETS	\$ 93,723
Operating	Special Revenue	General	Indirect Cost	\$ 35,330
Operating	Capital Outlay	Debt Service	Debt	\$ 469,737
Operating	Special Revenue	Construction	Construction	\$ 5,876,156
Operating	Building	Debt Service	Debt	\$ 4,590,776
Operating	Building	General	CFR request	\$ 1,061,319
Operating	Capital Outlay	General	CFR request	\$ 11,537
Operating	General	Construction	Construction	\$ 186,037
Operating	Day Care	General	Indirect Cost	\$ 19,813
Operating	Food Service	General	Indirect Cost	\$ 303,430

18. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2025, there were interfund receivables of \$1,518,202 in the General Fund and interfund payables of the same amount in the Special Revenue Fund in order to zero the cash balance in the Special Revenue Fund.

19. ON-BEHALF PAYMENTS

The Commonwealth of Kentucky pays certain expenses on behalf of the District. These expenses include employee health insurance, the employer match of Kentucky Teachers' Retirement System, certain other employee benefits, specific technology expense and debt service. These amounts are included in the fund financial statements; however.

The following payments for fringe benefits are included as revenues and expenses on the statement of revenues, expenses, and changes in net position:

Retirement contributions to the Teachers'	
Retirement System of Kentucky	\$ 5,905,402
OPEB contributions to the Teachers'	
Retirement System of Kentucky	543,447
Health and Life insurance	7,230,621
Other Less Federal	(568,471)
Technology	80,930
Debt Service	1,053,512
	<u>\$ 14,245,441</u>

20. FUND BALANCE DESIGNATIONS

The following funds had restricted fund balances as follows:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
Capital Outlay	\$ 281,284	Future Construction
District Activity	\$ 43,199	School-level Activities
Student Activity	\$ 538,185	School-level Activities
Building	\$ 28,065	Bond Redemption
Construction	\$ 13,682,274	Future Construction
Day Care	\$ 95,558	Day Care Services

The following funds had assigned fund balances as follows:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	\$ 1,964,982	Purchase Obligations

21. CHANGE IN ACCOUNTING PRINCIPLE

The District has adopted GASB Statement No. 101, Compensated Absences, effective July 1, 2024. Statement 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments.

22. PRIOR PERIOD ADJUSTMENT

The adoption of GASB statement No. 101 has resulted in a prior period adjustment to the beginning net position for government-wide activities. The beginning net position was decreased by \$6,909,275. Details of this adjustment is as follows:

Beginning Day Care Fund balance was increased \$47,560 and that amount was reclassified to the beginning net position of the government-wide activities. This adjustment was due to the removal of pension and OPEB liabilities from the Day Care Fund. Due to the adoption of GASB Statement No. 101 (Note 21), Beginning compensated absences payable was increased by \$6,861,715.

23. SUBSEQUENT EVENTS

Management of the District has evaluated subsequent events through December 19, 2025, which was the date the report was available for release. No events have occurred subsequent to the date of the financial statements that would require adjustment to the financial statements or disclosure in the notes.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources				
Taxes:				
Property	\$ 6,286,650	\$ 6,286,650	\$ 6,803,456	\$ 516,806
Motor vehicle	1,940,000	1,940,000	2,119,519	179,519
Franchise	2,040,000	2,040,000	2,608,403	568,403
Other	270,000	270,000	250,906	(19,094)
Earnings on investments	450,000	450,000	489,664	39,664
Other local	43,800	43,800	199,898	156,098
Intergovernmental - State				
SEEK	27,514,118	27,514,118	27,514,118	-
Other	14,478,239	14,478,239	13,200,149	(1,278,090)
Intergovernmental - Federal	445,000	445,000	507,059	62,059
Total revenues	53,467,807	53,467,807	53,693,172	225,365
Expenditures				
Current:				
Instruction	32,722,066	32,722,066	29,368,230	3,353,836
Student	1,868,624	1,868,624	1,779,651	88,973
Instructional support	1,461,418	1,461,418	1,340,209	121,209
District administration	3,020,084	3,020,084	2,694,087	325,997
School administration	5,294,103	5,294,103	4,820,510	473,593
Business operations	1,201,683	1,201,683	1,155,531	46,152
Plant operations and maintenance	7,764,815	7,764,815	18,913,364	(11,148,549)
Student transportation	5,674,226	5,674,226	4,733,694	940,532
Community service	63,062	63,062	-	63,062
Debt service	462,040	462,040	462,040	-
Contingency	1,758,064	1,758,064	-	1,758,064
Total expenditures	61,290,185	61,290,185	65,267,439	(3,977,254)
Excess (deficit) of revenues over (under) expenditures	(7,822,378)	(7,822,378)	(11,574,268)	(3,751,890)
Other financing sources (uses)				
Capital contributions	-	-	10,708,436	10,708,436
Sale of assets	-	-	361,155	361,155
Transfers in	258,000	258,000	1,431,429	1,173,429
Transfers out	(601,675)	(601,675)	(279,760)	321,915
Total other financing sources (uses)	(343,675)	(343,675)	12,221,260	12,564,935
Net change in fund balance	(8,166,053)	(8,166,053)	646,993	8,813,046
Fund balance as of June 30, 2024	8,166,053	8,166,053	10,131,035	1,964,982
Fund balance as of June 30, 2025	\$ -	\$ -	\$ 10,778,028	\$ 10,778,028

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

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
From local sources:				
Other local	\$ 433,733	\$ 433,733	\$ 466,208	\$ 32,475
Earnings on investments	1,111	1,111	3,983	2,872
Intergovernmental - State	2,215,274	2,215,274	2,130,368	(84,906)
Intergovernmental - Federal	11,242,498	11,242,498	17,195,935	5,953,437
Total revenues	13,892,616	13,892,616	19,796,494	5,903,878
Expenditures				
Current:				
Instruction	10,539,300	10,539,300	9,371,050	1,168,250
Student support services	188,439	188,439	148,556	39,883
Instructional support	2,059,220	2,059,220	2,109,325	(50,105)
District administration	20,000	20,000	20,000	-
Plant operations & maintenance	281,050	281,050	236,806	44,244
Student transportation	-	-	720,900	(720,900)
Non instructional	10,000	10,000	69,764	(59,764)
Community service	926,050	926,050	1,310,368	(384,318)
Total expenditures	14,024,059	14,024,059	13,986,769	37,290
Deficit of revenues under expenditures	(131,443)	(131,443)	5,809,725	5,941,168
Other financing sources				
Sale of assets	40,299	40,299	8,038	(32,261)
Operating transfers in	93,723	93,723	93,723	-
Operating transfers out	-	-	(5,911,486)	(5,911,486)
Total other financing sources	134,022	134,022	(5,809,725)	(5,943,747)
Net change in fund balance	2,579	2,579	-	(2,579)
Fund balance as of June 30, 2024	-	-	-	-
Fund balance as of June 30, 2025	\$ 2,579	\$ 2,579	\$ -	\$ (2,579)

FLOYD COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGET AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND

YEAR ENDED JUNE 30, 2025

The District's budgetary process accounts for transactions on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. In accordance with state law, the District prepares a general school budget based upon the amount of revenue to be raised by local taxation, including the rate of levy, and from estimates of other Local, State, and Federal revenues. The budget contains estimated expenditures for current expenses, debt service, capital outlay, and other necessary expenses. The budget must be approved by the Board. The District must formally and publicly examine estimated revenues and expenses for the subsequent fiscal year by January 31 of each calendar year. Additionally, the District must submit a certified budget to the Kentucky Department of Education by March 15 of each calendar year, which includes the amount for certified and classified staff, based on the District's staffing policy, and the amount for the instructional supplies, materials, travel and equipment. Additionally, the District must adopt a tentative working budget for the subsequent fiscal year by May 30 of each calendar year. The budget must contain a 2% reserve but not greater than 10%. Finally, the District must adopt a final working budget and submit it to the Kentucky Department of Education by September 30 of each calendar year. The Board has the ability to amend the working budget.

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
COUNTY EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2025

Non-Hazardous Job Classifications	District's proportion of net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.358326%	\$ 21,429,413	\$ 11,043,464	194.05%	61.61%
2024	0.410640%	\$ 26,318,208	\$ 11,903,858	221.09%	57.48%
2023	0.394219%	\$ 28,498,145	\$ 10,900,626	261.44%	52.42%
2022	0.366024%	\$ 23,336,901	\$ 9,349,189	249.61%	57.33%
2021	0.370460%	\$ 28,413,975	\$ 9,478,251	299.78%	47.81%
2020	0.331320%	\$ 24,211,115	\$ 8,677,251	279.02%	50.45%
2019	0.331320%	\$ 20,178,641	\$ 8,209,381	245.80%	53.54%
2018	0.349860%	\$ 20,478,148	\$ 8,525,285	240.20%	53.30%
2017	0.368300%	\$ 17,476,584	\$ 8,576,919	203.76%	55.50%
2016	0.370330%	\$ 15,642,816	\$ 8,486,022	184.34%	59.97%

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
COUNTY EMPLOYEES RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

Non-Hazardous Job Classifications	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2025	\$ 2,176,667	\$ 2,176,667	\$ -	\$ 11,043,464	19.71%
2024	\$ 2,617,658	\$ 2,617,658	\$ -	\$ 11,903,858	21.99%
2023	\$ 2,796,011	\$ 2,796,011	\$ -	\$ 10,900,626	25.65%
2022	\$ 2,418,635	\$ 2,418,635	\$ -	\$ 9,349,189	25.87%
2021	\$ 2,180,946	\$ 2,180,946	\$ -	\$ 9,478,251	23.01%
2020	\$ 1,967,133	\$ 1,967,133	\$ -	\$ 8,677,251	22.67%
2019	\$ 1,698,521	\$ 1,698,521	\$ -	\$ 8,209,381	20.69%
2018	\$ 1,575,473	\$ 1,575,473	\$ -	\$ 8,525,285	18.48%
2017	\$ 1,624,468	\$ 1,624,468	\$ -	\$ 8,576,919	18.94%
2016	\$ 1,447,715	\$ 1,447,715	\$ -	\$ 8,486,022	17.06%

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM - PENSION FUND
YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The inflation assumption used to calculate the total pension liability decreased from 2.50% to 2.30%.

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ASSET) - MEDICAL INSURANCE PLAN
COUNTY EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2025

Non-Hazardous Job Classifications	District's proportion of net OPEB liability (asset)	District's proportionate share of the net OPEB liability (asset)	District's covered-employee payroll	District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.358645%	\$ (620,385)	\$ 11,043,464	-5.62%	104.89%
2024	0.410148%	\$ (566,278)	\$ 11,903,858	-4.76%	104.20%
2023	0.394152%	\$ 7,778,843	\$ 10,900,626	71.36%	60.95%
2022	0.365939%	\$ 7,005,719	\$ 9,349,189	74.93%	62.91%
2021	0.370355%	\$ 8,942,947	\$ 9,478,251	94.35%	51.67%
2020	0.344160%	\$ 5,788,599	\$ 8,677,251	66.71%	60.44%
2019	0.331310%	\$ 5,882,361	\$ 8,209,381	71.65%	57.62%
2018	0.349860%	\$ 7,033,302	\$ 8,525,285	82.50%	52.40%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
COUNTY EMPLOYEES RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

Non-Hazardous Job Classifications	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered- employee payroll
2025	\$ -	\$ -	\$ -	\$ 11,043,464	0.00%
2024	\$ -	\$ -	\$ -	\$ 11,903,858	0.00%
2023	\$ 428,395	\$ 428,395	\$ -	\$ 10,900,626	3.93%
2022	\$ 345,920	\$ 345,920	\$ -	\$ 9,349,189	3.70%
2021	\$ 451,165	\$ 451,165	\$ -	\$ 9,478,251	3.76%
2020	\$ 234,286	\$ 234,286	\$ -	\$ 8,677,251	2.70%
2019	\$ 228,240	\$ 228,240	\$ -	\$ 8,209,381	2.13%
2018	\$ 400,688	\$ 400,688	\$ -	\$ 8,525,285	1.96%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
COUNTY EMPLOYEES RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN
YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The single discount rate changed from 5.93% to 5.99%.
Healthcare trend rates for Pre-65 decreased from 6.80% to 6.20%.
Healthcare trend rates for Post-65 increased from 8.50% to 9.00%.

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
KENTUCKY TEACHERS' RETIREMENT SYSTEM
JUNE 30, 2025

	<u>State's proportion of net pension liability (asset)</u>	<u>State's proportionate share of the net pension liability (asset)</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2025	100%	\$ 90,856,863	60.36%
2024	100%	\$ 101,527,049	57.68%
2023	100%	\$ 111,143,739	56.41%
2022	100%	\$ 64,710,521	65.59%
2021	100%	\$ 95,286,973	58.27%
2020	100%	\$ 97,999,201	58.80%
2019	100%	\$ 95,076,608	59.30%
2018	100%	\$ 203,947,183	39.83%
2017	100%	\$ 228,349,125	35.22%
2016	100%	\$ 179,859,188	42.49%

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF STATE CONTRIBUTIONS
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	Statutorily required contribution		Contributions in relation to the statutorily required contribution		Contribution deficiency (excess)	
2025	\$	-	\$	-	\$	-
2024	\$	-	\$	-	\$	-
2023	\$	-	\$	-	\$	-
2022	\$	-	\$	-	\$	-
2021	\$	-	\$	-	\$	-
2020	\$	-	\$	-	\$	-
2019	\$	-	\$	-	\$	-
2018	\$	-	\$	-	\$	-
2017	\$	-	\$	-	\$	-
2016	\$	-	\$	-	\$	-
2015	\$	-	\$	-	\$	-

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
KENTUCKY TEACHERS RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.66% to 3.94%.

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ASSET) - MEDICAL INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
JUNE 30, 2025

	District's proportion of net OPEB liability (asset)	District's proportionate share of the net OPEB liability (asset)	State's proportionate share of the net OPEB liability (asset)	District's covered-employee payroll	District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.285229%	\$ 6,358,000	\$ 5,664,000	\$ 25,989,862	24.46%	47.12%
2024	0.315651%	\$ 7,688,000	\$ 6,480,000	\$ 28,850,846	26.65%	52.97%
2023	0.476705%	\$ 11,834,000	\$ 3,888,000	\$ 28,850,846	41.02%	47.75%
2022	0.267370%	\$ 5,737,000	\$ 4,659,000	\$ 26,089,447	21.99%	51.74%
2021	0.362680%	\$ 9,153,000	\$ 7,332,000	\$ 25,230,749	36.28%	39.05%
2020	0.385650%	\$ 11,287,000	\$ 9,115,000	\$ 25,685,195	43.94%	32.58%
2019	0.377740%	\$ 13,106,000	\$ 11,295,000	\$ 25,745,431	50.91%	25.50%
2018	0.406200%	\$ 14,357,001	\$ 11,727,000	\$ 26,444,203	54.29%	21.18%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2025	\$ 779,696	\$ 779,696	\$ -	\$ 25,989,862	3.00%
2024	\$ 865,525	\$ 865,525	\$ -	\$ 28,850,846	3.00%
2023	\$ 865,525	\$ 865,525	\$ -	\$ 28,850,846	3.00%
2022	\$ 782,683	\$ 782,683	\$ -	\$ 26,089,447	3.00%
2021	\$ 756,922	\$ 756,922	\$ -	\$ 25,230,749	3.00%
2020	\$ 770,556	\$ 770,556	\$ -	\$ 25,685,195	3.00%
2019	\$ 772,363	\$ 772,363	\$ -	\$ 25,745,431	3.00%
2018	\$ 793,326	\$ 793,326	\$ -	\$ 26,444,203	3.00%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

FLOYD COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
KENTUCKY TEACHERS' RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN
YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.66% to 3.94%.

Health care cost trends decreased from 6.75% to 6.50%.

Health care cost trends for Medicare Part B Premiums increased from 1.55% to 5.92%.

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ASSET) - LIFE INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN
JUNE 30, 2025

	State's proportion of net OPEB liability (asset)	State's proportionate share of the net OPEB liability (asset)	Plan fiduciary net position as a percentage of the total OPEB liability
2025	100%	\$ 129,000	80.56%
2024	100%	\$ 160,000	76.91%
2023	100%	\$ 193,000	73.97%
2022	100%	\$ 62,000	89.15%
2021	100%	\$ 222,000	71.57%
2020	100%	\$ 212,000	73.40%
2019	100%	\$ 194,000	75.00%
2018	100%	\$ 157,000	79.99%

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF STATE CONTRIBUTIONS - LIFE INSURANCE PLAN
KENTUCKY TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)
2025	\$ -	\$ -	\$ -
2024	\$ -	\$ -	\$ -
2023	\$ -	\$ -	\$ -
2022	\$ -	\$ -	\$ -
2021	\$ -	\$ -	\$ -
2020	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -

This schedule is presented to illustrate the requirement to show information for 10 years. More information will be added as it becomes available.
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FLOYD COUNTY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

KENTUCKY TEACHERS' RETIREMENT SYSTEM - LIFE INSURANCE PLAN

YEAR ENDED JUNE 30, 2025

Changes of Benefit Terms

None.

Changes of Assumptions

The municipal bond index rate increased from 3.66% to 3.94%.

OTHER SUPPLEMENTARY INFORMATION

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

	Student Activity Fund	District Activity Fund	SEEK Capital Outlay Fund	Facility Support Program (FSPK) Fund	Debt Service Fund	Total Non-major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 538,185	\$ 43,928	\$ 281,284	\$ 28,065	\$ -	\$ 891,462
Total assets	\$ 538,185	\$ 43,928	\$ 281,284	\$ 28,065	\$ -	\$ 891,462
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 729	\$ -	\$ -	\$ -	\$ 729
Total liabilities	-	729	-	-	-	729
Fund Balances:						
Restricted	538,185	43,199	281,284	28,065	-	890,733
Unassigned	-	-	-	-	-	-
Total liabilities fund balances	\$ 538,185	\$ 43,928	\$ 281,284	\$ 28,065	\$ -	\$ 891,462

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

	Student Activity Fund	District Activity Fund	SEEK Capital Outlay Fund	Facility Support Program (FSPK) Fund	Debt Service Fund	Total Non-major Governmental Funds
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 2,010,454	\$ -	\$ 2,010,454
Earnings on investments	-	-	13,794	1,377	-	15,171
Other local	1,531,414	-	-	-	-	1,531,414
Intergovernmental - State	-	34,878	465,494	3,626,682	1,053,512	5,180,566
Total revenues	1,531,414	34,878	479,288	5,638,513	1,053,512	8,737,605
Expenditures						
Instruction	1,235,200	11,615	-	-	-	1,246,815
Instructional support	52,220	-	-	-	-	52,220
Other	5,535	16,116	-	-	-	21,651
Non-Instruction	234,975	-	-	-	-	234,975
Debt service	-	-	-	-	6,114,025	6,114,025
Total expenditures	1,527,930	27,731	-	-	6,114,025	7,669,686
Other financing sources (uses)						
Transfers in	-	-	-	-	5,060,513	5,060,513
Transfers out	-	-	(481,274)	(5,652,095)	-	(6,133,369)
Total other financing sources (uses)	-	-	(481,274)	(5,652,095)	5,060,513	(1,072,856)
Net change in fund balance	3,484	7,147	(1,986)	(13,582)	-	(4,937)
Fund balance as of June 30, 2024	534,701	36,052	283,270	41,647	-	895,670
Fund balance as of June 30, 2025	\$ 538,185	\$ 43,199	\$ 281,284	\$ 28,065	\$ -	\$ 890,733

FLOYD COUNTY SCHOOL DISTRICT**COMBINED STATEMENT OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCES - ELEMENTARY AND MIDDLE SCHOOL ACTIVITY FUNDS****YEAR ENDED JUNE 30, 2025**

<u>School/ Activity Fund</u>	<u>Cash and Equivalents June 30, 2024</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Cash Equivalents June 30, 2025</u>	<u>Accounts Receivable June 30, 2025</u>	<u>Accounts Payable June 30, 2025</u>	<u>Balances June 30, 2025</u>
Adams Middle School	\$ 56,789	\$ 122,592	\$ 115,854	\$ 63,527	\$ -	\$ -	\$ 63,527
Allen Elementary School	21,116	64,610	58,461	27,265	-	-	27,265
Betsy Lane Elementary School	69,577	172,220	175,254	66,543	-	-	66,543
Duff-Allen Central Elementary School	70,565	86,165	80,895	75,835	-	-	75,835
May Valley Elementary School	51,585	169,759	187,575	33,769	-	-	33,769
Prestonsburg Elementary School	25,771	68,316	57,539	36,548	-	-	36,548
South Floyd Elementary School	8,077	141,637	122,443	27,271	-	-	27,271
JM Stumbo Elementary	<u>15,698</u>	<u>72,130</u>	<u>62,651</u>	<u>25,177</u>	<u>-</u>	<u>-</u>	<u>25,177</u>
Totals	<u>\$ 319,178</u>	<u>\$ 897,429</u>	<u>\$ 860,672</u>	<u>\$ 355,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355,935</u>

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BETSY LANE HIGH SCHOOL ACTIVITY FUND
YEAR ENDED JUNE 30, 2025

	Balances June 30, 2024	Receipts	Disbursements	Transfers in (out)	Cash and cash equivalents	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Balances June 30, 2025
General Fund	\$ 4,606	\$ 7,242	\$ 6,610	\$ -	\$ 5,238	\$ -	\$ -	5,238
Mock Trails	189	-	-	-	189	-	-	189
JAG	573	1,623	1,982	-	214	-	-	214
Student Vending	3,266	774	2,105	2,985	4,920	-	-	4,920
Science Olympiad	235	562	358	-	439	-	-	439
Robotics	271	65	-	-	336	-	-	336
Engineering Club	50	-	-	-	50	-	-	50
Journalism	4	-	-	-	4	-	-	4
STLP	162	-	-	-	162	-	-	162
FBLA	235	112	-	-	347	-	-	347
Teacher Vending	4,421	519	1,289	-	3,651	-	-	3,651
Tag	38	-	-	-	38	-	-	38
Staff Flower Fund	105	-	-	-	105	-	-	105
Anthropology	803	-	-	-	803	-	-	803
Media Productions	185	-	-	-	185	-	-	185
School Wide Fundraiser	-	6,243	3,258	(2,985)	-	-	-	-
Esports	175	-	-	-	175	-	-	175
BLHS Champions	12	-	-	-	12	-	-	12
Athletic	27,072	44,088	51,281	8,580	28,459	-	-	28,459
Start Up Cash	-	200	200	-	-	-	-	-
PE Class	298	-	-	-	298	-	-	298
Spanish Club	76	-	-	-	76	-	-	76
Art	99	-	-	-	99	-	-	99
Music and Band	1,577	75	283	-	1,369	-	-	1,369
Special Ed	386	-	-	-	386	-	-	386
FMD	165	-	-	-	165	-	-	165
Academic	394	240	300	-	334	-	-	334
Beta Club	1,190	6,985	7,706	(131)	338	-	-	338
Forensics	188	-	-	-	188	-	-	188
Library	227	-	-	-	227	-	-	227
Student Council	14	-	-	-	14	-	-	14
Senior Class	727	6,694	6,106	446	1,761	-	-	1,761
Junior Class	5,420	29,894	29,938	(233)	5,143	-	-	5,143
New Horizon YSC	-	1,959	2,236	1,000	723	-	-	723
Childrens Inc	3,277	8,866	6,463	(1,000)	4,680	-	-	4,680
Archery	4,494	5,910	9,240	-	1,164	-	-	1,164
Bobcat Drug Coalition	575	-	-	-	575	-	-	575
Counselor	286	-	-	-	286	-	-	286
Yearbook	-	-	-	-	-	-	-	-

Continued on next page

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BETSY LANE HIGH SCHOOL ACTIVITY FUND
YEAR ENDED JUNE 30, 2025

	Balances June 30, 2024	Receipts	Disbursements	Transfers in (out)	Cash and cash equivalents	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Balances June 30, 2025
Dance	257	3,462	2,935	-	784	-	-	784
Football	3,654	18,556	15,529	(1,277)	5,404	-	-	5,404
Girls Ball Boosters	2,266	12,532	13,560	(1,236)	2	-	-	2
Volleyball	5,048	15,170	16,733	(1,129)	2,356	-	-	2,356
Girls Cheerleaders	3,488	40,391	40,558	(1,620)	1,701	-	-	1,701
National Honor Society	957	6,967	7,706	(131)	87	-	-	87
Boys Basketball Hoopsters	564	19,738	14,353	(2,955)	2,994	-	-	2,994
Girl's Softball	2,032	2,620	3,169	-	1,483	-	-	1,483
Boy's Baseball	3,599	4,701	4,314	(314)	3,672	-	-	3,672
Track Team	1,024	884	1,588	-	320	-	-	320
Bowling	121	-	-	-	121	-	-	121
Golf Team	491	604	-	-	1,095	-	-	1,095
Total accounts	\$ 85,296	\$ 247,676	\$ 249,800	\$ -	\$ 83,172	\$ -	\$ -	\$ 83,172

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
FLOYD CENTRAL HIGH SCHOOL ACTIVITY FUND
YEAR ENDED JUNE 30, 2025

	Balances June 30, 2024	Receipts	Disbursements	Transfers in (out)	Cash and cash equivalents	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Balances June 30, 2025
Volleyball	\$ 7,532	\$ 4,772	\$ 11,765	\$ -	\$ 539	\$ -	\$ -	539
Boys Basketball	836	23,142	23,868	-	110	-	-	110
Girls Basketball	3,236	21,855	24,810	-	281	-	-	281
Drama	20	322	-	-	342	-	-	342
General Fund	1,393	3,773	5,508	724	382	-	-	382
Athletics	11,073	40,107	44,013	130	7,297	-	-	7,297
Baseball	4,687	14,729	16,449	-	2,967	-	-	2,967
Band/Music	4,528	13,765	15,353	-	2,940	-	-	2,940
KYA	224	-	-	-	224	-	-	224
School Pictures	511	-	-	(511)	-	-	-	-
Childrens Inc	980	5,773	4,338	(1,608)	807	-	-	807
Academics	1,341	1,703	1,297	-	1,747	-	-	1,747
Student Vending	191	1,378	1,976	407	-	-	-	-
Teacher Vending	-	578	507	-	71	-	-	71
Football	2,618	27,383	29,542	-	459	-	-	459
Talented & Gifted	407	-	-	(407)	-	-	-	-
Juniors	3,794	18,855	16,997	(4,525)	1,127	-	-	1,127
Seniors	1,022	23,899	30,233	5,425	113	-	-	113
JROTC	1,999	40	691	-	1,348	-	-	1,348
Student Council	117	-	-	(117)	-	-	-	-
Cheerleading	3,451	23,062	16,964	-	9,549	-	-	9,549
Yearbook	832	-	-	-	832	-	-	832
Beta Club	527	2,316	2,474	128	497	-	-	497
Softball	2,527	3,150	2,985	(130)	2,562	-	-	2,562
Golf	374	-	-	-	374	-	-	374
Archery	190	8,779	6,784	-	2,185	-	-	2,185
National Honor Society	906	540	830	-	616	-	-	616
PLTW	-	99	99	-	-	-	-	-
AP Exam	97	300	300	(96)	1	-	-	1

Continued on next page

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
FLOYD CENTRAL HIGH SCHOOL ACTIVITY FUND
YEAR ENDED JUNE 30, 2025

	Balances June 30, 2024	Receipts	Disbursements	Transfers in (out)	Cash and cash equivalents	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Balances June 30, 2025
Family Resource Center	5,697	6,371	8,096	-	3,972	-	-	3,972
Athletic Start Up Money	-	1,000	1,000	-	-	-	-	-
Esports	-	28	-	-	28	-	-	28
Seniors Caps and Gowns	33	-	-	-	33	-	-	33
Track	2,982	3,281	3,533	-	2,730	-	-	2,730
Stage Band Tech	410	-	-	-	410	-	-	410
Journalism	995	360	548	-	807	-	-	807
Wrestling	891	6,042	6,330	-	603	-	-	603
JAGS	533	2,025	2,881	580	257	-	-	257
FMD	114	74	110	-	78	-	-	78
HOSA	104	984	1,004	-	84	-	-	84
National Honor Society	1,023	1,020	1,772	-	271	-	-	271
NHS Grant Program	-	384	189	-	195	-	-	195
National Honor - Spanish	-	110	81	-	29	-	-	29
School Fundraiser	-	477	477	-	-	-	-	-
Total accounts	\$ 68,195	\$ 262,476	\$ 283,804	\$ -	\$ 46,867	\$ -	\$ -	\$ 46,867

FLOYD COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
PRESTONSBURG HIGH SCHOOL ACTIVITY FUND
YEAR ENDED JUNE 30, 2025

	Balances June 30, 2024	Receipts	Disbursements	Transfers in (out)	Cash and cash equivalents	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Balances June 30, 2025
General Fund	\$ 2,436	\$ 3,975	\$ 6,383	\$ 1,586	\$ 1,614	\$ -	\$ -	1,614
Track	1,330	3,132	3,902	-	560	-	-	560
Golf	126	2,805	2,714	-	217	-	-	217
Athletic	10,184	69,193	62,284	-	17,093	-	-	17,093
Archery	2,631	219	2,487	-	363	-	-	363
Boys Basketball	1,047	-	-	-	1,047	-	-	1,047
Girls Basketball	3,329	-	3,329	-	-	-	-	-
Cheer	58	500	200	-	358	-	-	358
Dance	848	-	-	-	848	-	-	848
Football Team	-	1,408	-	-	1,408	-	-	1,408
Boys Soccer	298	-	55	-	243	-	-	243
Girls Soccer	614	811	1,425	-	-	-	-	-
Volleyball	1,075	-	-	-	1,075	-	-	1,075
Wrestling Team	544	1,000	871	-	673	-	-	673
District Tournament	6,835	3,756	8,140	-	2,451	-	-	2,451
Library Café	569	-	-	-	569	-	-	569
Region Tournament	-	3,515	2,989	-	526	-	-	526
Junior Class	5,167	5,486	5,323	-	5,330	-	-	5,330
Paw Prints Magazine	52	-	-	-	52	-	-	52
PSAT	90	-	-	-	90	-	-	90
Senior Class	1,549	2,983	3,977	-	555	-	-	555
AP Exams	39	-	-	-	39	-	-	39
Cap/Gown	40	-	-	-	40	-	-	40
Allied Health	268	-	-	-	268	-	-	268
Yearbooks	175	-	-	-	175	-	-	175
Choir	1,281	-	-	-	1,281	-	-	1,281
Band	472	1,558	1,113	-	917	-	-	917
Concession	2,596	1,381	5,506	1,529	-	-	-	-
Faculty Vending	751	801	1,551	-	1	-	-	1
TAG	517	-	-	-	517	-	-	517
National Honor Society	788	240	1,413	385	-	-	-	-
Student Council	26	-	-	-	26	-	-	26
FBLA	1,923	-	154	-	1,769	-	-	1,769
JAG	9	-	-	-	9	-	-	9
Science Olympiad	1,066	200	825	-	441	-	-	441

Continued on next page

FLOYD COUNTY SCHOOL DISTRICT**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -****PRESTONSBURG HIGH SCHOOL ACTIVITY FUND****YEAR ENDED JUNE 30, 2025**

	Balances June 30, 2024	Receipts	Disbursements	Transfers in (out)	Cash and cash equivalents	Accounts Receivable June 30, 2025	Accounts Payable June 30, 2025	Balances June 30, 2025
HOSA	1,184	10,314	10,090	-	1,408	-	-	1,408
Transportation	4,230	-	1,203	-	3,027	-	-	3,027
Start Up	-	1,400	1,400	-	-	-	-	-
Project Prom	500	-	500	-	-	-	-	-
Youth Service Center	416	1,144	725	(285)	550	-	-	550
Children Inc	478	5,572	4,340	285	1,995	-	-	1,995
Link Crew	894	2,440	755	-	2,579	-	-	2,579
Laptops	5,597	-	-	(3,500)	2,097	-	-	2,097
Total accounts	<u>\$ 62,032</u>	<u>\$ 123,833</u>	<u>\$ 133,654</u>	<u>\$ -</u>	<u>\$ 52,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,211</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
Expenditures			
U.S. Department of Education			
Passed through the Kentucky Department of Education:			
Title I Grants to Local Educational Agencies	84.010	3100202-25	\$ 4,577,782
Title I Grants to Local Educational Agencies	84.010	3100202-24	648,198
Title I Grants to Local Educational Agencies	84.010	3100202-23	44,778
			<u>5,270,758</u>
<i>Special Education Cluster</i>			
Special Education Grants to States	84.027A	3810002-25	1,082,082
Special Education Grants to States	84.027A	3810002-24	561,269
			<u>1,643,351</u>
Special Education Preschool Grants	84.173A	3800002-25	73,657
			<u>73,657</u>
Total Special Education Cluster			<u>1,717,008</u>
Career and Technical Education - Basic Grants to States	84.048	3710002-25	128,752
			<u>128,752</u>
Rural and Low-Income School Program	84.358B	3140002-25	147,658
			<u>147,658</u>
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	3160002-25	342,307
			<u>342,307</u>
Supporting Effective Instruction State Grants	84.367A	3230002-25	421,208
			<u>421,208</u>
Student Support and Academic Enrichment Grant	84.424A	3420002-25	230,352
Student Support and Academic Enrichment Grant	84.424A	3420002-24	126,427
			<u>356,779</u>
Education Stabilization Fund (COVID-19):			
Emergency Relief Fund (COVID-19)	84.425U	4300002-21	6,823,941
American Rescue Plan - Elementary and Secondary School			
Emergency Relief Fund (COVID-19)	84.425W	563I	59,403
			<u>6,883,344</u>
Total U.S. Department of Education			<u>15,267,814</u>

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
<i>Child Nutrition Cluster</i>			
Passed through the Kentucky Department of Education			
National School Lunch Program	10.555	7750002-25	2,765,258
National School Lunch Program - Commodities	10.555	57502.02	279,577
			<u>3,044,835</u>
 School Breakfast Program	 10.553	 7760005-24	 <u>1,148,931</u>
			<u>1,148,931</u>
 Summer Food Service Program	 10.559	 7760005-24	 <u>807,687</u>
			<u>807,687</u>
 Total U.S. Department of Agriculture - Child Nutrition Cluster			 <u>5,001,453</u>
 Fresh Fruit and Vegetable Program	 10.582	 7760005-25	 <u>207,822</u>
			<u>207,822</u>
Passed through the Kentucky Department of Agriculture			
State Administrative Expenses for Child Nutrition	10.560	7700001-23	18,699
			<u>18,699</u>
 Total U.S. Department of Agriculture			 <u>5,227,974</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through the Big Sandy Area Community Action Program			
Head Start	93.600	04CH2596	1,893,253
			<u>1,893,253</u>
 COVID-19 - ARPA Child Care Sustainment	 93.575	 576I	 <u>34,868</u>
			<u>34,868</u>
 Total U.S. Department of Health and Human Services			 <u>1,928,121</u>
 Total federal expenditures			 <u>\$ 22,423,909</u>

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

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Floyd County School District (District) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because this schedule presents only a selected portion of the operations of the District, it is not intended to, and it does not, present to financial position, changes in net position, or cash flows of the District.

2. IN-KIND COMMODITIES

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. The District no longer maintains a separate commodities inventory due to changes in program regulations. Commodities are included under the Child Nutrition Cluster. The valued amount of commodities received for June 30, 2025 was \$279,577.

3. CLUSTER PROGRAMS

The following ALNs are considered cluster programs:

Special Education Cluster	
Special Education Grants to States	84.027
Special Education – Preschool Grants	84.173
Child Nutrition Cluster	
National School Lunch Program	10.555
National School Breakfast Program	10.553
Special Milk Program for Children	10.556
Summer Food Services for Children	10.559

4. INDIRECT COST RATES

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

5. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principle in OMB Circular A-87, Cost Principles for State and local Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein, certain types of expenditures are not allowable for reimbursement.



Cloyd & Associates, PSC

Certified Public Accountants

and

Business Advisors

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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Floyd County School District
Prestonsburg, Kentucky

We have audited, in accordance with the 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 prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Floyd County School District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Floyd County School District'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 District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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



Report on Compliance and Other Matters

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

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.

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
December 19, 2025



Cloyd & Associates, PSC

Certified Public Accountants

and

Business Advisors

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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Floyd County School District
Prestonsburg, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to 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), and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract-State Audit Requirements*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Cloyd & Associates, PSC

Cloyd & Associates, PSC
London, Kentucky
December 19, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – MAJOR PROGRAMS
YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued		Unmodified	
Internal control over financial reporting:			
Material weakness identified	_____	Yes	<u>✓</u> No
Significant deficiencies identified that are not considered to be material weaknesses	_____	Yes	<u>✓</u> None reported
Noncompliance material to financial statement noted	_____	Yes	<u>✓</u> No

Federal Awards

Internal control over major programs:			
Material weaknesses identified	_____	Yes	<u>✓</u> No
Significant deficiencies identified that are not considered to be material weaknesses	_____	Yes	<u>✓</u> None reported
Type of auditors' report issued on compliance for major programs		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____	Yes	<u>✓</u> No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>ALN</u>
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Headstart	93.600
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Education Stabilization Fund (COVID-19)

American Rescue Plan – Elementary and Secondary School Emergency Relief Fund	84.425U
American Rescue Plan – Elementary and Secondary School Emergency Relief Fund	84.425W

Dollar threshold used to distinguish between Type A and Type B program	\$750,000
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Auditee qualified as low risk	<u>✓</u> Yes	_____ No
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(continued)

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – MAJOR PROGRAMS - CONTINUED
YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

None

FLOYD COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings

There were no prior year audit findings

MANAGEMENT LETTER COMMENTS



Cloyd & Associates, PSC

Certified Public Accountants

and

Business Advisors

Members of the Board of Education

Floyd County School District

Prestonsburg, Kentucky

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

During our audit, if we noted any matters we feel need reporting that are opportunities for strengthening internal controls and operating efficiency, they will be included on the following pages. This letter does not affect our report thereon dated December 19, 2025, on the basic financial statements of Floyd County School District.

Respectfully,

Cloyd & Associates, PSC

Cloyd & Associates, PSC

London, Kentucky

December 19, 2025

Prior Year Comments – School Activity Funds

South Floyd Elementary

1. Deposits are being held for multiple days over the \$100 accumulation limit.
This comment was not resolved during the current year.
2. The deposit slips do not consistently indicate verification by dual signatures.
This comment was resolved during the current year.

Current Year Comments –School Activity Funds

Allen Elementary

1. Invoices are not consistently being cancelled with Check #, date, etc. written on invoice.

Management Response: A copy of the invoice was mailed with the check. The school retained a copy of the invoice with a check stub and check number attached. Invoices were signed, and after this year's finance training, the check number has been consistently written on all invoices when payments are made.

Duff-Allen Central Elementary

1. Deposits are being held for multiple days over the \$100 accumulation limit.

Management Response: The deposit was delayed due to an unforeseen circumstance that required attention at the time. As soon as the issue was identified, the deposit was completed promptly. We have reviewed our procedures to help ensure future deposits are made in a timely manner.
2. Several instances of invoices not being paid within the 30 day limit.

Management Response: Certain invoices exceeded the 30-day payment window because of delays in receiving final approvals and/or documentation. Once the necessary information was received, the invoices were processed and paid immediately. We have since implemented additional reminders and process checks to ensure timely payments.

John Stumbo Elementary

1. Several instances of invoices not being paid within the 30 day limit.

Management Response: All faculty/staff will be trained bi-annually on the financial documents and procedures regarding purchasing using school funds by the school principal and bookkeeper. Faculty/staff will be instructed to request an invoice immediately upon purchasing all items/goods. Administration will review open purchase orders at the end of each month to ensure all outstanding invoices are closed within the 30-day limit.

FLOYD COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS - CONTINUED
JUNE 30, 2025

John Stumbo Elementary - Continued

2. Several instances of invoices dated prior to the issuance of the purchase order. All purchases need to have proper purchase order approval before ordering and/or payment of an invoice.

Management Response: All faculty/staff will be trained bi-annually on financial documents and procedures regarding purchasing using school funds by the school principal and bookkeeper. All coaches will be trained at the start of their corresponding seasons on financial documents and procedures regarding purchasing using school funds.

South Floyd Elementary

1. Several instances of invoices not being paid within the 30 day limit.

Management Response: *During the fiscal year July 1, 2024 – June 30, 2025, South Floyd Elementary school found several inadequacies in our bookkeeping department which were not in line with Redbook procedures. As a result, our bookkeeper was replaced, and the principal was placed under a Corrective Action Plan. As of July 1, 2025, SFES has both a new bookkeeper and principal.*

2. Several instances of invoices dated prior to the issuance of the purchase order. All purchases need to have proper purchase order approval before ordering and/or payment of an invoice.

Management Response: *During the fiscal year July 1, 2024 – June 30, 2025, South Floyd Elementary school found several inadequacies in our bookkeeping department which were not in line with Redbook procedures. As a result, our bookkeeper was replaced, and the principal was placed under a Corrective Action Plan. As of July 1, 2025, SFES has both a new bookkeeper and principal.*

Prestonsburg High School

1. Several instances of invoices not being paid within the 30 day limit.

Management Response: *It is our practice at PHS to not pay invoices until we have received our order in full. I have received invoices before receiving all of our order several times. I do not pay an invoice until the club sponsor/coach lets me know that all of their order has been received.*