THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO CHANGE, COMPLETION, OR AMENDMENT, WITHOUT NOTICE. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY THESE SECURITIES BE ACCEPTED BEFORE THE OFFICIL STATEMENT IS DELIVERED IN FINAL FORM. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY OFFICIAL STATEMENT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE A SALE OF, THESE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, OR SALE WOULD BE UNLAWFUL BEFORE REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 21, 2026

In the opinion of Bond Counsel for the Bonds, based upon an analysis of laws, regulations, rulings, and court decisions, and assuming continuing compliance with certain covenants made by the District, and subject to the conditions and limitations set forth herein under the caption "LEGAL MATTERS – Tax Treatment," interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is exempt from Kentucky income tax, and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

NEW ISSUE
NOT BANK QUALIFIED

RATINGS: "Aa3" (Enhanced)
"A2"(Underlying)
(See "Ratings" Herein)

BOOK-ENTRY-ONLY-SYSTEM

$15,550,000*
BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

Dated: Date of Issuance **Due June 1, as shown**

Interest on the above-captioned Bonds (the "Bonds") will be payable from their dated date, on each June 1 and December 1, commencing December 1, 2026, and the Bonds mature on each June 1, as shown on the inside cover.

The Bonds are being issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The Bonds will be issued under a book-entry system and registered in the name of The Depository Trust Company or its nominee. There will be no distribution of the Bonds to the ultimate purchasers. See "THE BONDS – Book-Entry Only System" herein. The principal of the Bonds will be payable when due at the designated corporate trust office of U.S. Bank Trust Company, National Association, Louisville, Kentucky, as Paying Agent and Registrar. Interest payments will be mailed by the Paying Agent and Registrar to each holder of record as of the fifteenth day of the month preceding the date for such interest payment. The principal of and interest on the Bonds may also be paid by any other transfer of funds acceptable to the Paying Agent and Registrar and the registered owner of the Bonds. See "THE BONDS" herein.

FOR MATURITIES AND PRICES OR YIELDS, SEE THE INSIDE COVER

The Bonds are subject to redemption before their stated maturity, as described herein.

The Board of Education of Clark County, Kentucky (the "Board" or "District") deems this Preliminary Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except certain information on the cover page hereof and certain pages herein that has been omitted in accordance with the Rule and which will be provided with the final Official Statement.

The Bonds are offered when, as, and if issued, subject to the approval of legality and tax exemption by Steptoe & Johnson PLLC, Louisville, Kentucky, as Bond Counsel. The Bonds are expected to be available for delivery on or about June 23, 2026.

Dated _____, 2026

COMPASS
MUNICIPAL ADVISORS

* Preliminary, subject to change.

$15,550,000*
BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

Maturing June 1	Par Amount	Coupon	Yield	Price	CUSIP Number
2027	$ 245,000				
2028	405,000				
2029	415,000				
2030	440,000				
2031	460,000				
2032	340,000				
2033	360,000				
2034	775,000				
2035	790,000				
2036	830,000				
2037	625,000				
2038	660,000				
2039	690,000				
2040	720,000				
2041	750,000				
2042	775,000				
2043	805,000				
2044	1,745,000				
2045	1,820,000				
2046	1,900,000				

*As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment.

* Preliminary, subject to change.

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY

Dora Hall
Board Chair

Carl Kiser
Vice Chair

Paula Thomas
Member

Ben Dorsey
Member

Ashley Ritchie
Member

Dustin Howard
Superintendent

BOND COUNSEL

Steptoe & Johnson PLLC
Louisville, Kentucky

FISCAL AGENT

Compass Municipal Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

U.S. Bank Trust Company, National Association
Louisville, Kentucky

REGARDING THE USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the Board identified on the cover page hereof. No dealer, broker, salesman, or other person has been authorized by the Board or District to give any information or to make any representations, other than those set forth in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been given or authorized by the Board or District or the Fiscal Agent. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, and there shall not be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale.

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

Upon their issuance, the Bonds will not be registered by the Board under any federal or state securities law and will not be listed on any stock exchange or any other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, or other governmental entity or agency, except the District, will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

All of the financial and other information presented in this Official Statement has been provided by the Board from the records of the District, except any information expressly attributed to other sources. The presentation of this information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that the past experience of the District, as is shown by the financial and other information presented in this Official Statement, will necessarily continue or be repeated in the future. Insofar as the statements contained herein involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements have been or will be realized. In addition, such statements should also be regarded as suggesting independent investigation or consultation of other sources before the making of any investment decisions. Certain information contained in this Official Statement may not be current; however, attempts were made to date and document all sources of information. Neither this Official Statement nor any oral or written representations made by or on behalf of the Board prior to the sale of the Bonds should be regarded as part of the Board's contract with the successful bidder or the holders from time to time of the Bonds.

All references in this Official Statement to any provisions of Kentucky law, whether codified in the Kentucky Revised Statutes or uncodified, or to any provisions of the Kentucky Constitution or the Board's ordinances or resolutions, in each case, are references to such provisions as they presently exist. Any of these provisions may be amended, repealed, or supplemented from time to time.

As used in this Official Statement, "debt service" means the principal of and the premium (if any) and interest on the obligations referred to, "District" means the Clark County School District, "Board" means the Board of Education of Clark County, Kentucky and "Commonwealth" or "Kentucky" means the Commonwealth of Kentucky.

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**$15,550,000*
BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page hereof and appendices hereto, is to set forth certain information relating to the issuance of $15,550,000* aggregate principal amount of General Obligation Bonds, Series 2026 (the "Bonds") of the Board of Education of Clark County, Kentucky (the "Board"), as specified on the cover page hereof.

This introduction is not a summary of this Official Statement. It is only a brief description of and a guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page hereof and appendices hereto, and the documents and laws summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The Bonds are being issued by the Board, as governing body of the Clark County School District (the "District"), a county school district and a political subdivision of the Commonwealth of Kentucky. The District is located in the City of Winchester, Kentucky and the County of Clark, Kentucky.

The issuance of the Bonds is authorized by (a) Sections 66.011 to 66.191, inclusive, of the Kentucky Revised Statutes, as amended, (b) Section 160.160 of the Kentucky Revised Statutes, as amended, and (c) a resolution duly adopted by the Board on April 28, 2026 (the "Bond Resolution").

The Bonds are being issued for the purposes of (i) financing the costs roof replacements, miscellaneous renovations, athletic improvements and bus acquisition throughout the District (the "Project"), (ii) paying the costs of credit enhancement for the Bonds, if any, (iii) paying capitalized interest for the Bonds, if desirable, and (iv) paying the costs of issuance of the Bonds.

The Bonds are a general obligation of the Board. The basic security for the Bonds is the Board's ability to levy, and its pledge to levy, an annual tax in order to pay the principal of and interest on the Bonds as and when the same become due and payable (see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein).

The Bonds are offered when, as, and if issued by the Board. The Bonds will be delivered on or about June 23, 2026, in New York, New York, through the Depository Trust Company (DTC).

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and the related continuing disclosure documents are intended to be made available through one or more repositories. Copies of the basic documentation relating to the Bonds, including the Bond Resolution and the bond forms, may be obtained from Steptoe & Johnson PLLC, at 101 South Fifth Street, Suite 3200 Louisville, Kentucky 40202. Additional information regarding this Official Statement or the District, including financial information for the District, is available from Compass Municipal Advisors, LLC, at 110 West Vine Street, Suite 240, Lexington, Kentucky 40507, Telephone: (859) 368-8052.

The Board deems this Preliminary Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except for certain information on the cover page hereof and certain

* Preliminary, subject to change.

pages herein that has been omitted in accordance with the Rule and will be provided with the final Official Statement.

THE BONDS

Description of the Bonds

The Bonds will be dated their date of initial issuance and delivery and will bear interest from such date at the rates set forth on the cover page hereof. The Bonds are being issued as fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple thereof.

Interest on the Bonds will be payable semiannually on each June 1 and December 1, commencing December 1, 2026, from the later of the date of issuance or the Bonds, or the most recent date to which interest has been paid or duly provided for, and shall be paid by check or draft mailed by U.S. Bank Trust Company, National Association, as Paying Agent and Registrar for the Bonds, to the registered owners thereof, as of the applicable record date set forth below, at their respective addresses appearing on the books of the Paying Agent and Registrar. The principal amount of the Bonds shall be paid when due to the registered owners thereof, upon the surrender of the Bonds at the designated corporate trust office of the Paying Agent and Registrar located in Louisville, Kentucky. Alternatively, the principal of and interest on the Bonds may also be paid by any other transfer of funds acceptable to the Paying Agent and Registrar and the registered owners thereof. The record date for each June 1 and December 1 interest payment date shall be the preceding May 15th and November 15th, respectively.

Authority for Issuance

The issuance of the Bonds is authorized by (a) Sections 66.011 to 66.191, inclusive, of the Kentucky Revised Statutes, as amended, (b) Section 160.160 of the Kentucky Revised Statutes, as amended, and (c) a resolution duly adopted by the Board on April 28, 2026 (the "Bond Resolution").

Redemption Provisions

Optional Redemption. The Bonds maturing on and after June 1, 2036 shall be subject to optional redemption on June 1, 2035 or any date thereafter, in whole or in part, in such order of maturity as may be selected by the District, and by lot within any maturity, at a redemption price equal to the principal amount of Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on the dates set forth below are subject to mandatory sinking fund redemption before maturity, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on the dates, in the years, and in the principal amounts as follows:

Maturing June 1, 20__

Date	Amount
June 1, 20__	$
June 1, 20__	$
June 1, 20__*	$

*Final Maturity

Notice of Redemption. If less than all Bonds which, by their terms, are payable on the same date are to be called for redemption, the particular Bonds or portions thereof payable on such date and to be redeemed shall

be selected by lot, by the Paying Agent and Registrar, in such manner as the Paying Agent and Registrar, in its discretion, may determine; provided, however, that (i) the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or any integral multiple thereof, and (ii) in selecting Bonds for redemption, the Paying Agent and Registrar shall treat each Bond as representing the number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000.

At least thirty days before the redemption date of any Bonds, the Paying Agent and Registrar shall cause a notice of such redemption, signed by the Paying Agent and Registrar, to be mailed, postage prepaid, to all registered owners of the Bonds, or portions thereof, to be redeemed, at their addresses as they appear on the registration books maintained by the Paying Agent and Registrar; provided, however, that the failure to mail such notice shall not affect the validity of the proceedings for such redemption. Each notice of redemption shall set forth the date fixed for redemption, the redemption price to be paid, and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive numbers or letters, if any, of the Bonds to be redeemed. In addition, if any Bond is to be redeemed in part only, such redemption notice shall also set forth the portion of the principal amount of such Bond to be redeemed and shall include a statement that on or after the date fixed for redemption, upon the surrender of such Bond for redemption, a new Bond will be issued in a principal amount equal to the unredeemed portion of the Bond so redeemed.

On the date so fixed for redemption, notice having been sent in the manner and under the conditions set forth above, and moneys for the payment of the redemption price being held in a separate account by the Paying Agent and Registrar for the registered owners of the Bonds or portions thereof to be redeemed, (i) the Bonds or portions thereof so called for redemption shall become and be due and payable, at the redemption price provided for the redemption of such Bonds or portions thereof on such date; (ii) interest on the Bonds or portions thereof so called for redemption shall cease to accrue; and (iii) the registered owners of the Bonds or portions thereof to be redeemed shall have no rights in respect thereof, except the right to receive payment of the redemption price thereof and to receive new Bonds for any unredeemed portions of their Bonds.

In case part but not all of an outstanding Bond shall be selected for redemption, the registered owner thereof or their attorney or legal representative shall present and surrender such Bond to the Paying Agent and Registrar for payment of the principal amount thereof so called for redemption, and thereupon, the District shall execute and the Paying Agent and Registrar shall authenticate and deliver to or upon the order of such registered owner or their legal representative, without charge therefor, a new Bond in a principal amount equal to the unredeemed portion of the Bond so surrendered, of the same series and maturity and bearing interest at the same rate as the Bond so redeemed.

Defeasance

The Bond Resolution permits the Board to defease any Bond prior to its stated maturity if (i) the Board shall have given notice of the redemption of such Bond or Bonds in accordance with the Bond Resolution or shall have provided for the giving of such notice at the appropriate time, and (ii) there shall have been deposited with the Paying Agent or another fiduciary either (A) moneys in an amount which shall be sufficient, or (B) Defeasance Obligations, the principal of and the interest on which, when due, will provide moneys in an amount which, together with any moneys deposited with the Paying Agent or such fiduciary at the same time, shall be sufficient, in either case, to pay, when due, the principal or redemption price, if any, and interest due and to become due on such Bonds on and before the stated maturity, the applicable redemption date, or the immediately succeeding interest payment date thereof, as the case may be. Neither any Defeasance Obligations, nor any moneys deposited with the Paying Agent or another fiduciary, nor any principal or interest payments received from any Defeasance Obligations shall be withdrawn or used for any purposes other than, and shall be held in trust for, the payment of the principal or redemption price, if any, of any of the Bonds and any interest thereon; provided, however, that any cash received from such

principal or interest payments on such Defeasance Obligations and deposited with the Paying Agent or another fiduciary, if not then needed for such purposes, shall, to the extent practicable, (1) be reinvested in Defeasance Obligations maturing at such times and in such amounts as shall be sufficient to pay, when due, the principal or redemption price, if any, and interest to become due on any Bonds on and before the Stated Maturity, applicable Redemption Date, or interest payment date thereof, as the case may be, and (2) be paid over to the District, following the full discharge and payment of such Bonds, free and clear of any trust, lien, or pledge.

For the foregoing purposes,

"Defeasance Obligations" means:

(a) non-callable direct obligations of the United States of America, including U.S. Treasury bills, notes, bonds, and zero coupon bonds, U.S. Treasury Obligations – State and Local Government Series (SLGS), and direct obligations of the U.S. Treasury that have been stripped by the Treasury itself, including CATS, TIGRS, and similar securities;

(b) non-callable obligations issued or guaranteed by the Government National Mortgage Association which are backed by the full faith and credit of the United States of America; and

(c) non-callable senior debt obligations issued or guaranteed by any Federal Home Loan Bank or any Federal Home Loan Bank Board or by the Farm Credit System, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association.

Book-Entry Only System

The Bonds will initially be issued solely in book-entry form, to be held in the book-entry only system maintained by The Depository Trust Company (DTC). When issued, the Bonds will be registered in the name of Cede & Co., as the nominee of DTC. The purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. So long as the book-entry only system of DTC is used, only DTC will receive, or have the right to receive, physical delivery of the Bonds, and the beneficial owners of the Bonds will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Bond Resolution. In addition, so long as DTC or its nominee is the registered owner of the Bonds, the Paying Agent and Registrar will make all payments of principal and interest due on the Bonds directly to DTC. For additional information regarding DTC and the book-entry only system see "Appendix G – Book-Entry Only System" hereto.

THE INFORMATION SET FORTH IN THIS SECTION AND APPENDIX G ATTACHED HERETO CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT BELIEVES TO BE RELIABLE, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General Obligation

The Bonds are general obligations of the Board, and the full faith, credit, and taxing power of the Board are irrevocably pledged to the payment of the principal of and interest on the Bonds as and when due and payable. The basic security for general obligation indebtedness of the Board, including the Bonds, is the Board's ability to levy, and its pledge to levy, an annual tax to pay the principal of and interest on all general obligation indebtedness of the Board, including the Bonds, as and when the same become due and payable. The tax

must be levied in sufficient amount to pay, as and when the same become due and payable, the principal of and interest on all outstanding general obligation bonds, including the Bonds, and other outstanding general obligation indebtedness of the Board. Under Section 159 of the Kentucky Constitution, the District is required to collect an annual tax sufficient to pay the interest on all authorized indebtedness and to establish and maintain a sinking fund for the payment of the principal amount thereof. The Bond Resolution provides for the levy of such annual tax, which tax shall be collected to the extent other lawfully available moneys of the Board are not provided or otherwise available. The Bond Resolution also creates and provides for the maintenance of a Sinking Fund, into which the proceeds of such annual tax or other lawfully available moneys of the District are to be deposited for the payment of the principal of and interest on the Bonds and all other general obligation indebtedness of the Board, and the amounts on deposit in the Sinking Fund shall not be used for any other purpose.

Statutory Lien

Section 66.400 of the Kentucky Revised Statutes, as amended (the "Municipal Bankruptcy Law"), permits any political subdivision, public agency, or instrumentality of the Commonwealth, such as the District, for the purpose of enabling such political subdivision, public agency, or instrumentality to take advantage of the provisions of Chapter 9 of the United States Bankruptcy Code and, for that purpose only, (i) to file a petition stating that such political subdivision, public agency, or instrumentality (a) is insolvent or unable to meet its debts as they mature, and (b) desires to effectuate a plan for the composition or readjustment of its debts, and (ii) to take any further proceedings as are set forth in the United States Bankruptcy Code, as they relate to such political subdivision, public agency, or instrumentality. Under the Municipal Bankruptcy Law, the District does not need the approval or permission of the Kentucky Department for Local Government's State Local Debt Officer or any other governmental authority before availing itself of the bankruptcy process. In addition, under the Municipal Bankruptcy Law, the District may be authorized to initiate Chapter 9 bankruptcy proceedings without any prior notice to or consent of its creditors, which bankruptcy proceedings may result in a material and adverse modification or alteration of the rights of the District's secured and unsecured creditors, including the holders of its bonds and notes. See "INVESTMENT CONSIDERATION – Risk of Bankruptcy" herein.

The Municipal Bankruptcy Law provides that (a) a statutory lien exists on any tax revenues pledged for the benefit of general obligation debt; (b) such tax revenues are pledged for the repayment of the principal of and premium (if any) and interest on all outstanding general obligation indebtedness, regardless of whether such pledge is contained in the documents or proceedings authorizing such indebtedness; and (c) such pledge constitutes a first lien on such tax revenues. In addition, the Municipal Bankruptcy Law also creates a statutory lien on annual appropriations for the payment of any obligations subject to annual renewal, including, without limitation, any leases entered into under Chapter 58 and Chapter 65 of the Kentucky Revised Statutes.

The validity and priority of the statutory lien imposed by the Municipal Bankruptcy Law have not been adjudicated in any Chapter 9 bankruptcy proceeding or otherwise.

State Intercept

The Board has agreed that so long as the Bonds are outstanding, and in conformance with the intent and purpose of Section 157.627(5) and Section 160.160(5) of the Kentucky Revised Statutes, in the event of any failure by the Board to pay debt service on the Bonds, and unless sufficient funds have been or will be transmitted to the Paying Agent and Registrar for the payment of such debt service when due, the Board will (i) notify and request the Kentucky Department of Education to withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board, and (ii) request either the Kentucky Department of Education or the Commissioner of Education thereof to transfer the required amount of such withheld funds to the Paying Agent and Registrar for the payment of such debt service.

Kentucky School Facilities Construction Commission

The Kentucky School Facilities Construction Commission (the "Commission" or "SFCC") is an independent corporate agency and instrumentality of the Commonwealth established and existing under the provisions of Sections 157.611 to 157.640, inclusive, of the Kentucky Revised Statutes, as repealed, amended, and reenacted (the "Act") for the purpose of assisting local school districts in meeting the school construction needs of the Commonwealth in a manner which will ensure an equitable distribution of funds based upon unmet need.

The 2026 Regular Session of the General Assembly of the Commonwealth (the "Kentucky General Assembly") adopted a budget for the Commonwealth for the fiscal year ending June 30, 2028 (the "2028 Biennial Budget"). Among other things, the 2028 Biennial Budget provides $104,962,400 in FY 2026-2027 to pay debt service on existing and future bond issues and $40,000,000 to fund the Offers of Assistance made by the Commission during the previous biennium. In addition, the 2028 Biennial Budget also authorizes the Commission to make an additional $40,000,000 in Offers of Assistance during the current biennium to be funded in the budget for the biennium ending June 30, 2028. The 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022, 2024 and 2026 Regular Sessions of the Kentucky General Assembly appropriated funds to be used to pay the debt service of participating school districts. The appropriations for each biennium are shown in the following table:

Biennium	Appropriation
2008-2010	$10,968,000
2010-2012	12,656,200
2012-2014	8,469,200
2014-2016	8,764,000
2016-2018	23,019,400
2018-2020	7,608,000
2020-2022	2,946,900
2022-2024	5,305,300
2024-2026	22,180,700
2026-2028	2,949,000

In addition to the appropriations for new financings listed above, appropriations subsequent to that for 1986 included additional funds to continue to meet the annual debt requirements of all bonds issued in prior years that involve the participation of the Commission.

SFCC - No Participation

SFCC will provide no financial assistance to the District to meet the annual debt requirements of the Bonds.

Commonwealth Budget for Biennial Period Ending June 30, 2028

Under the Kentucky Constitution, the Kentucky General Assembly is required to adopt measures to provide for the Commonwealth's revenues and appropriations for each fiscal year. The Governor is required by law to submit a biennial State Budget (the "State Budget") to the Kentucky General Assembly during the legislative session held during each even numbered year. State Budgets have generally been adopted by the Kentucky General Assembly during those legislative sessions, which end in mid-April, to be effective upon the Governor's signature, for all appropriations commencing for a two-year period beginning the following July 1.

In the absence of a legislatively enacted budget, the Supreme Court of Kentucky has ruled that the Governor has no authority to spend money from the state treasury, except where there is an explicit statutory,

constitutional, or federal mandate, and the Commonwealth may be prevented from expending funds for certain state governmental functions, including the ability to pay the principal of, premium, if any, and interest, when due, on obligations that are subject to appropriation.

The 2026 Regular Session of the Kentucky General Assembly adopted a State Budget for the biennial period ending June 30, 2028, which was approved and signed by the Governor and will become effective as of July 1, 2026. The Office of the State Budget Director makes monthly updates to the General Fund receipts and other Funds of the Commonwealth which are available to the public. When published, the updates can be found at www.osbd.ky.gov.

PLAN OF FINANCING

The Bonds are being issued for the purposes of (i) financing the costs of roof replacements, miscellaneous renovations, athletic improvements and bus acquisitions throughout the District (the "Project"), (ii) paying the costs of credit enhancement for the Bonds, if any, (iii) paying capitalized interest for the Bonds, if desirable, and (iv) paying the costs of issuance of the Bonds, including rating fees, fees of the Fiscal Agent, Paying Agent and Registrar, and Bond Counsel, and such other appropriate expenses as may be approved by the District.

SOURCES AND USES OF FUNDS

Sources of Funds*	
Bond Proceeds	$15,550,000.00*
[Plus Original Issue Premium][Less Original Issue Discount]	
Total Sources	
Uses of Funds*	
Deposit to the Project Fund	
Costs of Issuance	
Underwriter's Discount	
Total Uses	

INVESTMENT CONSIDERATIONS

The following is a discussion of certain investment considerations for investors to consider regarding risks that could affect payments to be made with respect to the Bonds. Such discussion is not exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all of the risks that could affect such payments. Prospective purchasers of the Bonds should carefully analyze all of the information contained in this Official Statement, including the Appendices hereto, and any additional information in the form of the complete documents summarized herein, copies of which are available as described herein.

Limitation on Enforcement of Remedies

The enforcement of the remedies applicable to the Bonds under the Bond Resolution may be limited or restricted by laws relating to bankruptcy and insolvency and by the rights of creditors under the application of general principles of equity, and may be substantially delayed or subject to judicial discretion in the event of litigation or the use of statutory remedial procedures. All legal opinions concerning the enforceability of the

* Preliminary, subject to change.

Bonds delivered in connection with the Bonds contain an exception with respect to the limitations that may be imposed by bankruptcy and insolvency laws and by the rights of creditors under general principles of equity.

Risk of Bankruptcy

The obligations of the Board under the Bonds and the Bond Resolution are general obligations of the Board and are secured by the pledge of the Board's full faith, credit, and taxing power, any moneys held in the District's Sinking Fund (on a parity with all other general obligation indebtedness of the Board) or the Bond Payment Fund established under the Bond Resolution, and the statutory lien provided by the Municipal Bankruptcy Law. A bondholder's enforcement of any remedies provided under the Bond Resolution may be limited or delayed in the event of the application of any federal bankruptcy laws or any other laws affecting creditors' rights generally, and may be substantially delayed and subject to judicial discretion in the event of any litigation or any required use of statutory remedial procedures. The validity and priority of the statutory lien provided under the Municipal Bankruptcy Law have not been adjudicated in any Chapter 9 bankruptcy proceeding or otherwise.

In accordance with the Municipal Bankruptcy Law, the Board is permitted to file a petition for relief under Chapter 9 of Title 11 of the United States Code (the "Bankruptcy Code") without the prior approval of any official or department of state government, including the Kentucky Department for Local Government's State Local Debt Officer. If the Board were to file such a petition, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceedings against the District and any interest in (a) any moneys contained in the Sinking Fund or the Bond Payment Fund, (b) the District's general fund revenues, or (c) the Board's taxing power. However, any such petition does not stay the application of pledged special revenues, as defined by the Bankruptcy Code.

During its bankruptcy proceedings, the Board could use its property, including its tax receipts and the proceeds thereof, but excluding any pledged special revenues, for the benefit of its bankruptcy estate, despite the claims of its creditors. Notwithstanding the foregoing, it is possible that the District could use its pledged special revenues to pay certain operating expenses, even after filing its bankruptcy petition.

In a Chapter 9 proceeding under the Bankruptcy Code, only the Board, and not any other creditor or party in interest, could file a proposed plan of adjustment. The plan of adjustment is the vehicle for satisfying, and provides for the comprehensive treatment of, all of the claims against the District, and could result in the modification of the rights of any class of creditors, whether secured or unsecured, which modification of rights could be contrary to state law. For a plan to be confirmed, except for one exception discussed below, it must be approved by the vote of each class of impaired creditors. A class of impaired creditors approves a plan if, of those who vote, those holding more than one-half in number and at least two-thirds in amount vote in favor of the plan. If fewer than all impaired classes vote to accept the plan, the plan may nevertheless be confirmed by the bankruptcy court, and all claims and interests would be bound thereby, regardless of whether or how they voted. For this "cramdown" to occur, at least one of the impaired classes must vote to accept the plan and the bankruptcy court must determine that the plan does not "discriminate unfairly" and is "fair and equitable" with respect to the non-consenting classes. In addition, for a plan of adjustment to be confirmed, the bankruptcy court must also determine that the plan, among other requirements, is proposed in good faith and is in the best interest of creditors, such that the plan of adjustment represents a reasonable effort by the District to satisfy its debts and is a better alternative than dismissal of the bankruptcy case. Unlike in a Chapter 11 proceeding, in a Chapter 9 proceeding, this standard does not include the use of a liquidation analysis.

Generally, the District would likely receive a discharge of its debts after (i) the plan of adjustment is confirmed; (ii) the District deposits any consideration to be distributed under the plan with a disbursing agent appointed by the bankruptcy court; and (iii) the bankruptcy court determines that the securities so deposited with the disbursing agent will constitute valid and legal obligations of the District and that any provision made to pay, or to secure the payment of, such obligations is valid.

See the additional discussion regarding the statutory pledge of tax revenues provided for the Bonds under the heading "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Statutory Lien" herein. Prospective bondholders should consult their legal counsel regarding the impact of a bankruptcy filing by the District on the payment and security of the Bonds.

Suitability of Investment

An investment in the Bonds involves a certain degree of risk. The interest rates borne by the Bonds are intended to compensate the investor for assuming this element of risk. Prospective investors should carefully examine this Official Statement, including the Appendices hereto, and assess their ability to bear the economic risk of such an investment and determine whether or not the Bonds are an appropriate investment for them.

Additional Debt

The Board may, from time to time, issue additional general obligation bonds or notes. The issuance of additional general obligation bonds or notes would increase the District's overall debt service requirements and could adversely affect the debt service coverage on the Bonds.

General Economic Conditions

Adverse general economic conditions may result in, among other adverse circumstances, a reduction in general tax revenues of the District or a decrease in the District's investment portfolio values, resulting in increased funding requirements, which could negatively impact the results of operations and overall financial condition of the District.

Market for the Bonds

There is presently no secondary market for the Bonds and no assurance that a secondary market will develop. Consequently, investors may not be able to resell any of the Bonds they purchase should they need or wish to do so for emergency or other purposes.

Bond Rating

There can be no assurance that the rating assigned to the Bonds at the time of issuance will not be lowered or withdrawn at any time in the future, the effect of which could adversely affect the market price for the Bonds and the marketability of the Bonds. For more information, see "RATING" herein.

Tax Implications

Prospective purchasers of the Bonds may need to consult their own tax advisors before purchasing any Bonds regarding the impact of the Internal Revenue Code of 1986, as amended (the "Code"), upon their acquisition, holding, or disposition of the Bonds.

THE DISTRICT

General

The District is a school district and political subdivision of the Commonwealth existing under and by virtue of Chapter 160 of the Kentucky Revised Statutes. In accordance with Section 160.160 of the Kentucky Revised Statutes, the District is under the management and control of its Board of Education, consisting of five members elected by the voters of the Clark County, Kentucky on a non-partisan ballot to serve a four-year term. Each year, the Board elects a Chair and Vice Chair from its members to serve a one-year term. The Superintendent of the District serves as the executive agent of the Board and has the authority and responsibility to implement Board policy.

The Board has general control and management of all public schools within the District, including the control and management of all public school funds and school property, and may use such funds and property to promote public education within the District. The Board has the power, among others, to levy tax rates in compliance with statutory and regulatory requirements and to issue bonds to build and construct improvements to the public schools and related facilities within the District.

The members of the Board of Education are as follows:

Dora Hall, Board Chair
Carl Kiser, Vice-Chair
Paula Thomas, Member
Ben Dorsey, Member
Ashley Ritchie, Member

Kentucky Department of Education Supervision

No later than September 30 of each year, the District is required to submit to the Kentucky Department of Education (the "KDE") a tentative and working budget, on forms prescribed and furnished by the KDE, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the District during the succeeding fiscal year, as well as the estimated amount that will be received from all other sources. The working budget shall be disapproved by the KDE if (i) it is financially unsound, (ii) it fails to provide for (a) the payment of maturing principal and interest on any outstanding voted school improvement bonds, or (b) the payment of rentals in connection with any outstanding school building revenue bonds, or (iii) it fails to comply with any applicable law.

Each year, upon the receipt of local property assessments from the Kentucky Department of Revenue, the KDE certifies to the District (i) the general tax rate that the District could levy under Section 160.470(1) of the Kentucky Revised Statutes and the amount of revenue expected to be produced, (ii) the compensating tax rate, as defined in Section 132.010 of the Kentucky Revised Statutes, for the District's general tax rate and the amount of revenue expected to be produced, and (c) the general tax rate which will produce, respectively, no more revenue from real property, exclusive of any revenue from new property, than 4% over the amount of revenue produced by the compensating tax rate described in (ii) above, and the amount of revenue expected to be produced. Within thirty days after the District has received its tax assessment data, the rates levied by the District shall be forwarded to the KDE for its approval or disapproval.

KDE supervision also extends to other areas of local school finance, including supervision of general operations, such as the examination of business methods and accounts of the District and requirements for the submission to the KDE of prompt, detailed reports of all receipts and expenditures. The KDE also requires all local school districts, including the District, who have entered into contracts for the issuance of bonds to arrange for insurance protection in an amount equal to the full insurable value of the buildings and for the continuous retention of such insurance. KDE's supervision and control over local school districts in the Commonwealth is believed to be a major contribution toward the maintenance of Kentucky's perfect record of no defaults in the payment of its revenue bonds for school purposes.

Commonwealth Support for Education

The 1990 Regular Session of the Kentucky General Assembly enacted a comprehensive legislative package known as the Kentucky Education Reform Act ("KERA"), which became fully effective on July 13, 1990. KERA was designed to comply with the mandate of the Kentucky Supreme Court that the Kentucky General Assembly provide for an efficient and equitable system of schools throughout the Commonwealth. Under KERA, elementary and secondary education in the Commonwealth is supervised by the Commissioner of Education, as the Chief Executive Officer of the KDE, an appointee of the Kentucky Board of Education. Some salient features of KERA are as follows:

Section 157.330 of the Kentucky Revised Statutes created the fund to Support Education Excellence in Kentucky ("SEEK"), which is funded from biennial appropriations from the Kentucky General Assembly for distribution to school districts. This base funding guaranteed to each school district by SEEK for operating and capital expenditures is determined in each fiscal year by dividing the total annual SEEK appropriation by the state-wide total of pupils in average daily attendance ("ADA") in the preceding fiscal year. The ADA for each district is subject to adjustment to reflect the number of at risk students (i.e., any students approved for free lunch programs under state and federal guidelines) in the district, the number and type of exceptional students in the district, and the transportation costs of the district.

Section 157.440(1) of the Kentucky Revised Statutes provides that for fiscal years beginning July 1, 1990, each school district may levy an equivalent tax rate that will produce up to 15% of its guaranteed SEEK funding. Any increase beyond the 4% annual limitation imposed by Section 132.017 of the Kentucky Revised Statutes is not subject to the recall provisions of that Section. All revenue generated by the 15% levy is to be equalized at 150% of the state-wide average per pupil equalized assessment.

Section 157.440(2) of the Kentucky Revised Statutes also permits school districts to levy up to 30% of the revenues guaranteed by SEEK, plus the revenue produced by the 15% levy, but such additional tax will not be equalized with state funding and will be subject to recall by a simple majority of those voting on the question.

Section 157.620(1) of the Kentucky Revised Statutes provides that in order for a school district to be eligible for participation from the Commission for the payment of debt service on the district's bond issues, the district must levy a tax which will produce revenues equivalent to $0.05 per $100.00 of the total assessed value of all property in the district (including tangible and intangible property and motor vehicles) in addition to the minimum $0.30 levy. A district having a special voted tax which is equal to or higher than the required $0.05 tax must commit and segregate for capital purposes at least an amount equal to the required $0.05 tax. Any district that levies the additional $0.05 tax is also eligible to participate in the Facilities Support Program of Kentucky ("FSPK"), for which funds are appropriated separately from SEEK funds and are distributed to districts in accordance with a formula that takes into account a district's outstanding debt and funds available for the payment of debt service from both local and state sources.

Section 160.460 of the Kentucky Revised Statutes provides that as of July 1, 1994, all real property located in the Commonwealth subject to local taxation shall be assessed at 100% of fair cash value.

Section 156.029 of the Kentucky Revised Statutes provided for the establishment of the Kentucky Board of Education, consisting of eleven members appointed by the Governor and confirmed by the Senate of the Kentucky General Assembly. Seven members of the Kentucky Board of Education shall represent each of the Kentucky Supreme Court districts throughout the Commonwealth and four members shall represent the Commonwealth at large. The Kentucky Board of Education develops and adopts the regulations that govern all 171 public school districts in the Commonwealth and the actions of the KDE.

Revenue Sources within the District

General Property and Motor Vehicle Tax

The Board levies a tax on real estate, personal property, and motor vehicles at a specific rate per $100.00 of assessed valuation. See "Appendix B – Tax Base, Operating, and Demographic Data" hereto for the rates assessed over the previous five-year period.

SEEK Program

The SEEK Program allocates biennial appropriations from the Kentucky General Assembly to each school district in Kentucky. The base level of funding is determined for each fiscal year by dividing the total annual

SEEK appropriation by the state-wide total of pupils in average daily attendance in the preceding fiscal year. Each district's share of SEEK funding is subject to adjustment in order to reflect various factors. See "COMMONWEALTH SUPPORT FOR EDUCATION" for more details.

See "Appendix B – Tax Base, Operating, and Demographic Data" hereto for a recent history of the SEEK Program appropriations to the District.

Capital Outlay Allotment

The SEEK Program also provides for an annual payment to all Kentucky school districts for capital construction or acquisition (the "Capital Outlay Allotment"). Funds from the Capital Outlay Allotment are not directly pledged for debt service but, as a practical matter, and to the extent needed, have been and will continue to be applied to debt service through rental payments on lease agreements or general obligation bond payments.

The Commonwealth has established a formula to calculate Capital Outlay Allotments, which results in the allocation of funds to a district for capital expenditures at a rate of $100.00 per average daily pupils in attendance. Capital Outlay Allotments are required to be segregated into the Capital Outlay Allotment Fund and may be used only for (i) the direct payment of construction costs; (ii) the payment of debt service on voted and funding bonds; (iii) the payment of lease rental payments or general obligation bond payments in support of bond issues; (iv) the reduction of any deficits resulting from over-expenditures for any emergency capital construction; and (v) the establishment of a reserve for each of the categories enumerated in (i) through (iv).

The Capital Outlay Allotment received by the District for the most recent five-year period is set forth in "Appendix B – Tax Base, Operating, and Demographic Data" hereto.

FSPK Program

The FSPK Program provides funds for districts to support debt service and capital expenditures. The amount of FSPK funds a particular district receives is based on a funding formula that takes into consideration such district's average daily attendance and the amount of local revenue generated on such district's tax base relative to a state-wide average assessment.

See "Appendix B – Tax Base, Operating, and Demographic Data" hereto for a recent history of the FSPK Program appropriations to the District.

Tax Base Information

Homestead Exemption

Section 170 of the Kentucky Constitution was amended by Kentucky voters at the General Election held on November 2, 1971, to exempt from property taxes the first $6,500 of single-unit residential property of taxpayers 65 years of age or older. After that election, the 1972 Regular Session of the Kentucky General Assembly enacted Section 132.810 of the Kentucky Revised Statutes in order to establish the qualifications for the homestead exemption and to provide for the application thereof. In later legislative sessions, the Kentucky General Assembly amended Section 132.810 of the Kentucky Revised Statutes, (i) to enlarge the "single-unit" qualification to allow the homestead exemption to apply to real property "held by legal or equitable title, by the entireties, jointly, in common, as a condominium" maintained as the permanent residence of the owner, (ii) to construe the $6,500 exemption to mean $6,500 in terms of the purchasing power of the dollar in 1972, (iii) to allow the maximum exemption to be adjusted every two years if the cost of living index of the United States Department of Labor has changed as much as 1% over the preceding two-year period, and (iv) to permit counties and school districts to adjust their local tax revenues through increases in the tax rates on non-exempt property in order to generate tax revenues in an amount equivalent to the revenues lost through the application of the homestead exemption. The amount of the individual homestead exemption for the current tax period is $49,100.

Limitation on Taxation

The 1990 Regular Session of the Kentucky General Assembly, in enacting the comprehensive KERA legislative package, (i) amended the provisions of Section 160.470 of the Kentucky Revised Statutes, which prohibited school districts from levying ad valorem property taxes that would generate revenues in excess of 4% of the previous year's revenues without such levy being subject to recall, and (ii) amended Section 157.440 of the Kentucky Revised Statutes, for the purpose of creating an exception to the referendum and public hearing requirements of Section 160.470 of the Kentucky Revised Statutes for certain taxes levied by school districts.

Under Section 160.470(9) of the Kentucky Revised Statutes, for fiscal years beginning July 1, 1990, school districts are permitted to levy a "minimum equivalent tax rate" of $0.30 for general school purposes. The "equivalent tax rate" is defined as the rate that results when the income collected during the prior year from all taxes (including occupational and utility taxes) levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Kentucky Department of Revenue. Failure to levy the minimum equivalent rate subjects the board of the district to removal. Levies permitted by Section 160.470(9) of the Kentucky Revised Statutes are not subject to the public hearing or recall provisions set forth in Section 160.470(7) and (8) of the Kentucky Revised Statutes.

Under Section 157.440(1) of the Kentucky Revised Statutes for fiscal years beginning July 1, 1990, school districts are permitted to levy an "equivalent tax rate," as defined in Section 160.470(9) of the Kentucky Revised Statutes, which will produce up to 15% of those revenues guaranteed by the SEEK Program. Levies permitted by Section 157.440(1) of the Kentucky Revised Statues are not subject to the public hearing or recall provisions as set forth in Section 160.470(7) and (8) of the Kentucky Revised Statutes.

Section 159 of the Kentucky Constitution requires the collection of an annual tax sufficient to pay the interest on contracted indebtedness and to retire indebtedness over a period not exceeding forty years.

Appendix D to this Official Statement contains a Statement of Indebtedness for the District, certified by the Treasurer of the Board, which sets forth the property tax rates currently levied by the District and certifies that the issuance of the Bonds will not cause such tax rates to increase to an amount in excess of the above-described maximum permissible rates.

Investment Policy

Section 66.480 of the Kentucky Revised Statutes sets forth the requirements and limitations relating to investments by the state's political subdivisions, including the District. In accordance with the provisions thereof, the District must adopt an investment policy and may only invest its funds, with the approval of the Kentucky Board of Education, in the classifications of obligations which are eligible for investment, which includes:

(a) Obligations of the United States and its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of such obligations is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in Kentucky;

(b) Obligations and contracts for the future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States governmental agency, including, but not limited to:

1. United States Treasury obligations;
2. United States Export-Import Bank notes or guaranteed participation certificates;

3. Farmers Home Administration insured notes;
4. Governmental National Mortgage Corporation obligations; and
5. Merchant Marine bonds;

(c) Obligations of any corporation of the United States government, including, but not limited to:

1. the Federal Home Loan Mortgage Corporation;
2. Federal Farm Credit Banks;
3. the Bank for Cooperatives (CoBank);
4. Federal Intermediate Credit Banks;
5. Federal Land Banks;
6. Federal Home Loan Banks;
7. the Federal National Mortgage Association; and
8. the Tennessee Valley Authority;

(d) Certificates of deposit or other interest-bearing accounts issued through any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or a similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by Section 41.240(4) of the Kentucky Revised Statutes;

(e) Uncollateralized certificates of deposit issued by a bank or savings and loan institution having a physical presence in Kentucky rated in one of the three highest categories by a competent rating agency;

(f) Bankers' acceptances for banks rated in one of the three highest categories by a competent rating agency;

(g) Commercial paper rated in the highest category by a competent rating agency;

(h) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;

(i) Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a competent rating agency;

(j) Shares of mutual funds, each of which shall have the following characteristics:

1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
2. The management company of the investment company shall have been in operation for at least five years; and
3. All of the securities in the mutual fund shall be eligible investments hereunder;

(k) Individual equity securities, if the funds being invested will be managed by a professional investment manager that is regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed 25% of the equity allocation; and

(l) Individual high-quality corporate bonds managed by a professional investment manager and that:

1. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
2. Have a standard maturity of no more than ten years; and

3. Are rated in the three highest rating categories by at least two competent credit rating agencies.

Debt Limitation

Section 158 of the Kentucky Constitution provides that taxing districts, including the District, shall not incur indebtedness to an amount exceeding 2% of the value of the taxable property therein, as estimated by the last assessment previous to the incurring of the indebtedness; provided, however, that Section 158 of the Kentucky Constitution also provides that nothing shall prevent the issue of any renewal bonds or bonds to fund the floating indebtedness of any city, county, or taxing district. In addition, Section 158 of the Kentucky Constitution also grants the Kentucky General Assembly the power, subject to the limits and conditions set forth in Section 158 and elsewhere in the Kentucky Constitution, to establish additional limits on indebtedness and the conditions under which debt may be incurred by cities, counties, and taxing districts.

Section 66.041 of the Kentucky Revised Statutes provides the same limitations on indebtedness as are set forth in Section 158 of the Kentucky Constitution, and further states that the debt limitations apply to "net indebtedness." In calculating "net indebtedness," Section 66.031 of the Kentucky Revised Statutes provides that certain obligations of a city, county, or taxing district are not to be considered as "indebtedness," including any notes issued in anticipation of bonds, self-supporting obligations, revenue bonds, special assessment debt, and other infrequently-issued types of obligations. For a complete list of all of the District's debt exempt from the calculation of "net indebtedness," see the Statement of Indebtedness attached hereto as Appendix D.

Appendix D to this Official Statement contains a Statement of Indebtedness for the Board, certified by the Treasurer of the Board, that calculates the amount of the outstanding obligations of the Board (including the Bonds) that are subject to the 2% total direct debt limit. The total principal amount of general obligation debt that could be issued by the District, subject to the 2% debt limitation, is $85,894,557, and the District's net debt subject to such limit presently outstanding (including the Bonds) is $17,614,039, leaving a balance of approximately $68,280,518* borrowing capacity issuable within such limitation.

However, as described under the heading "THE DISTRICT – Tax Base Information – Limitation on Taxation" herein, the Board's ability to incur debt in these amounts is also restricted by tax limitations. In the case of general obligation debt, both the debt limitation and tax limitation must be met.

Bond Anticipation Notes

As provided by Section 56.513 and Section 58.150 of the Kentucky Revised Statutes, school districts are authorized to issue notes from time to time, including renewal notes, in anticipation of the issuance of any bonds, upon the same terms and conditions as bonds, except bond anticipation notes may be sold by private, negotiated sale in any manner determined or authorized by the board of education of the district. The ability of a school district to retire its bond anticipation notes from the proceeds of the sale of either bonds or renewal notes will ultimately depend upon the marketability of such bonds or renewal notes under the market conditions prevailing at the time of such sale.

LEGAL MATTERS

General

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status thereof are subject to the approving legal opinion of Steptoe & Johnson PLLC, as Bond Counsel for the Bonds. Upon delivery to the successful bidder therefor, the Bonds will be accompanied by an approving legal opinion dated the date of such delivery, rendered by Steptoe & Johnson PLLC. A draft of the approving legal opinion for the Bonds is set forth in "Appendix E – Form of Approving Legal Opinion of Bond Counsel" hereto.

As Bond Counsel, Steptoe & Johnson PLLC has performed certain functions to assist the District in the preparation of this Official Statement. However, the firm assumes no responsibility for, and will express no opinion regarding the accuracy or completeness of this Official Statement or any other information relating to the District or the Bonds that may be made available by the District or others to the bidders, the holders of the Bonds, or any other persons.

The engagement of the firm as Bond Counsel for the Bonds is limited to (i) the preparation of certain documents contained in the transcript of proceedings for the Bonds, and (ii) an examination of such transcript of proceedings incident to rendering its approving legal opinion for the Bonds. In its capacity as Bond Counsel, the firm has reviewed the information set forth in this Official Statement under the Sections entitled "THE BONDS – Authority for Issuance," "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS," "THE DISTRICT – Tax Base Information – Limitation on Taxation," "THE DISTRICT – Debt Limitation," "LEGAL MATTERS – General," and "LEGAL MATTERS – Tax Treatment," which review did not include independent verification of the financial statements and the statistical data included therein, if any.

Transcript and Closing Certificates

A complete transcript of proceedings for the Bonds, including a no litigation certification and other appropriate closing documents, will be delivered by the Board when the Bonds are delivered to the original purchaser thereof. At the time of delivery, the Board will also provide the original purchaser of the Bonds with a certification, executed by the Chair or the Treasurer of the Board, and addressed to such purchaser, relating to the accuracy and completeness of this Official Statement.

Litigation

To the knowledge of the Board, no litigation, administrative action, or other proceeding is pending or threatened directly affecting the Bonds, the security for the Bonds, or the improvements being financed with the proceeds of the Bonds. A no litigation certification to that effect will be delivered to the original purchaser of the Bonds at the time of the delivery of the Bonds.

Tax Treatment

General

In the opinion of Bond Counsel, based on an analysis of existing laws, regulations, rulings, and court decisions in effect as of the date hereof, interest on the Bonds will be excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals (for a discussion of the corporate alternative minimum tax, see "LEGAL MATTERS – Tax Treatment – Corporate Alternative Minimum Tax" herein). In addition, Bond Counsel is also of the opinion that interest on the Bonds will be exempt from Kentucky income taxation and that the Bonds will be exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

A copy of the opinion of Bond Counsel to be delivered concurrently with the issuance of the Bonds is set forth in "Appendix E – Form of Approving Legal Opinion of Bond Counsel" hereto.

The Code imposes various restrictions, conditions, and requirements with respect to the exclusion of interest on certain obligations, including the Bonds, from gross income for federal income tax purposes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will be excludable from gross income for federal income tax purposes. Any failure to comply with these covenants could result in the interest on the Bonds being includable in gross income for federal income tax purposes, and such inclusion could be required retroactively to the date of issuance of the Bonds. The approving legal opinion

of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or any events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Certain requirements and procedures contained or referred to in the Bonds and any other documents related thereto may be changed, and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Bonds or such other documents. Bond Counsel expresses no opinion as to any Bonds or the tax status of the interest thereon if any such change occurs or any such action is taken or omitted upon the advice or approval of bond counsel other than Steptoe & Johnson PLLC.

Although Bond Counsel is of the opinion that interest on the Bonds will be excludable from gross income for federal income tax purposes and that interest on the Bonds will be excludable from gross income for Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal, state, or local tax liabilities. The nature and extent of these tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion, and each Bondholder or potential Bondholder is urged to consult with its tax counsel with respect to the effects of purchasing, holding, or disposing of the Bonds on the tax liabilities of the individual or entity.

Receipt of tax-exempt interest, ownership, or disposition of the Bonds may result in other collateral federal, state, or local tax consequences for certain taxpayers. Such effects may include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code; increasing the federal tax liability of certain insurance companies under Section 832 of the Code; increasing the federal tax liability and affecting the status of certain S Corporations subject to Section 1362 and Section 1375 of the Code; increasing the federal tax liability of certain individual recipients of Social Security or the Railroad Retirement benefits under Section 86 of the Code; and limiting the amount of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of the Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain taxpayers under Section 265 of the Code. Finally, the residence of a bondholder in a state other than Kentucky or a bondholder being subject to tax in a state other than Kentucky may result in income or other tax liabilities being imposed on such bondholder by such states or their political subdivisions based on the interest or other income from the Bonds.

The Board has NOT designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

Original Issue Premium

"Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of the bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next call date. The Bonds that bear an interest rate that is higher than the yield (as shown on the cover page hereof) are initially being offered and sold to the public at an Acquisition Premium (the "Premium Bonds"). For federal income tax purposes, the amount of Acquisition Premium on each bond, the interest on which is excludable from gross income for federal income tax purposes (each, a "tax-exempt bond"), must be amortized and will reduce the bondholder's adjusted basis in the bond. However, no amount of amortized Acquisition Premium on any tax-exempt bonds may be deducted in determining a bondholder's taxable income for federal income tax purposes. The Acquisition Premium paid on any Premium Bonds or any other Bonds that must be amortized during any period will be based on the "constant yield" method, using the original bondholder's basis in the bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Holders of any Bonds, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

Original Issue Discount

The Bonds having a yield that is higher than the interest rate (as shown on the cover page hereof) are being offered and sold to the public at an original issue discount ("OID") from the amounts payable on such Bonds (the "Discount Bonds") at maturity. OID is an amount equal to the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold in accordance with that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of such bond, and for the Discount Bonds, the amount of such accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues during each semiannual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period such purchaser owns the Discount Bond is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale, or other disposition of that Discount Bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.

In addition to the foregoing, OID that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any of the Discount Bonds should be aware that the accrual of OID in each year may result in an alternative minimum tax liability, additional distribution requirements, or other collateral federal income tax consequences even though the owner of such Discount Bond has not received cash attributable to such OID in such year.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

Corporate Alternative Minimum Tax

The Inflation Reduction Act of 2022 imposes a new corporate alternative minimum tax equal to 15% of the "adjusted financial statement income" of an "applicable corporation," both as defined in Section 59(k) of the Code. Generally, an applicable corporation includes any corporation (as defined for federal income tax purposes, other than S corporations, regulated investment companies, and real estate investment trusts) with an "average annual adjusted financial statement income" of more than $1,000,000,000 over any preceding period of three tax years (ending with a tax year ending after December 31, 2021). The corporate alternative minimum tax applies for all tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on tax-exempt bonds, such as the interest on the Bonds, is included (i) in computing "average annual adjusted financial statement income" for the purposes of determining whether a corporation qualifies as an "applicable corporation," and (ii) in determining an applicable corporation's "adjusted financial statement income" for the purposes of calculating the alternative minimum tax imposed on applicable corporations under Section 55 of the Code, regardless of the issue date of such tax-exempt bonds.

CONTINUING DISCLOSURE

In accordance with Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") the Board (the "Obligated Person") will agree pursuant to a Continuing Disclosure Certificate to be dated the date of delivery of the Bonds (the "Disclosure Certificate"), to be delivered on the date of delivery of the Bonds,

to cause the certain information to be provided to the Municipal Securities Rulemaking Board ("MSRB").

The Disclosure Certificate provides bondholders, including beneficial owners of the Bonds, with certain enforcement rights in the event of a failure by the Obligated Persons to comply with the terms thereof; however, a default under a Disclosure Certificate does not constitute an event of default under the Bond Resolution. The Disclosure Certificate may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Bondholders are advised that the Disclosure Certificate, the form of which is attached to the Official Statement as Appendix F, should be read in its entirety for more complete information regarding its contents.

As of the date of the Official Statement, the Board is in compliance with the reporting requirements of the Rule for the past five years for which it is an "obligated person," as defined in the Rule. The Board intends to file all future Annual Financial Information within the time requirements specified in the Rule, the Continuing Disclosure Certificate, and the Board's existing continuing disclosure undertakings relating to other outstanding debt issues, and the Board has adopted policies and procedures to ensure the timely filing thereof, which policies and procedures are available to the public upon request.

Financial information regarding the Board may be obtained from Superintendent, Clark County Board of Education, 1600 West Lexington, Winchester, Kentucky 40391.

RATING

As noted on the cover page of this Official Statement, Moody's Investors Service, Inc. ("Moody's") has assigned a "A2" underlying and a "Aa3" enhanced rating to the Bonds. Such rating reflects only the view of Moody's. Any explanation of the significance of such rating may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, (212) 553-0300. The District furnished Moody's with certain information and materials about the Bonds and themselves. Generally, rating agencies base their ratings upon such information and materials received from issuers and upon investigations, studies, and assumptions by the rating agencies.

There can be no assurance that a rating, when assigned, will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody's if, in its judgment, the circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability and/or market price of the Bonds.

The District presently expects to furnish Moody's with any information and materials that Moody's may request on future general obligation bond issues. However, the District assumes no obligation to furnish any requested information and materials and may issue debt for which a rating is not requested. The failure to furnish any requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of Moody's ratings on the District's outstanding general obligation bonds.

UNDERWRITING

The Bonds are being purchased for reoffering by [____] (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $[____] (reflecting the par amount of the Bonds, [plus/less] net original issue [premium/discount] of $[____], and less underwriter's discount of $[____].) The initial public offering prices which produce the yields set forth on the cover page of this Official Statement may be changed by the Underwriter, and the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the offering prices which produce the yields set forth on the cover page hereof.

FISCAL AGENT

Compass Municipal Advisors, LLC, Lexington, Kentucky, has acted as Fiscal Agent to the District (the "Fiscal Agent") in connection with the issuance and sale of the Bonds and will receive a fee, payable from the proceeds of the Bonds, for its services rendered as Fiscal Agent to the District, contingent upon the issuance and sale of the Bonds. The Fiscal Agent has compiled certain data relating to the Bonds contained herein. The Fiscal Agent is not obligated (i) to undertake, and has not undertaken, to make an independent verification of, or (ii) to assume responsibility for the accuracy, completeness, or fairness of the information contained herein. The Fiscal Agent is an independent financial advisory firm and is not engaged in the business of underwriting, trading, or distributing securities.

MISCELLANEOUS

To the extent any statements contained herein involve matters of opinion or estimates, whether or not expressly stated to be such, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. The information contained in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be reliable, but such information, other than any information obtained from the official records of the District, has not been independently confirmed or verified by the District, and the accuracy of any such information is not guaranteed. Neither this Official Statement nor any statement which may have been made, either orally or in writing, by or on behalf of the District is to be construed as a contract with the holders of the Bonds.

This Official Statement has been duly executed and delivered in the name and on behalf of the District by the Chair of the Board of the District.

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY

By: /s/ Dora Hall
Chair

APPENDIX A

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

ESTIMATED AGGREGATE RESTRICTED FUNDS DEBT SERVICE REQUIREMENTS AND ESTIMATED DEBT SERVICE REQUIREMENTS

ESTIMATED AGGREGATE RESTRICTED FUND DEBT SERVICE

		Series 2026 GO Bonds Restricted Fund Portion			
Fiscal Year	Existing Restricted Fund Debt Service	Principal	Interest	Total	Total Restricted Fund Debt Service
2026	$4,981,445	$0	$0	$0	$4,981,445
2027	$4,983,312	$65,000	$562,934	$627,934	$5,611,246
2028	$4,985,134	$225,000	$596,325	$821,325	$5,806,459
2029	$4,986,816	$235,000	$585,075	$820,075	$5,806,891
2030	$4,985,448	$250,000	$573,325	$823,325	$5,808,773
2031	$4,983,842	$265,000	$560,825	$825,825	$5,809,667
2032	$4,389,941	$135,000	$547,575	$682,575	$5,072,516
2033	$4,386,213	$145,000	$540,825	$685,825	$5,072,038
2034	$3,994,288	$545,000	$533,575	$1,078,575	$5,072,863
2035	$3,997,051	$570,000	$506,325	$1,076,325	$5,073,376
2036	$3,994,506	$600,000	$477,825	$1,077,825	$5,072,331
2037	$3,996,082	$625,000	$447,825	$1,072,825	$5,068,907
2038	$3,994,408	$660,000	$416,575	$1,076,575	$5,070,983
2039	$3,991,531	$690,000	$390,175	$1,080,175	$5,071,706
2040	$3,992,431	$720,000	$359,125	$1,079,125	$5,071,556
2041	$3,992,231	$750,000	$330,325	$1,080,325	$5,072,556
2042	$3,995,877	$775,000	$300,325	$1,075,325	$5,071,202
2043	$3,998,491	$805,000	$269,325	$1,074,325	$5,072,816
2044	$0	$1,745,000	$235,113	$1,980,113	$1,980,113
2045	$0	$1,820,000	$160,950	$1,980,950	$1,980,950
2046	$0	$1,900,000	$83,600	$1,983,600	$1,983,600
2047	$0	$0	$0	$0	$0
2048	$0	$0	$0	$0	$0
2049	$0	$0	$0	$0	$0
2050	$0	$0	$0	$0	$0
Totals:	$78,629,045	$13,525,000	$8,477,947	$22,002,947	$100,631,992

ESTIMATED DEBT SERVICE REQUIREMENTS

Fiscal Year	District - Restricted Fund Portion				District - General Fund Portion				Total			
	Principal	Interest	Total	Fiscal Year Total	Principal	Interest	Total	Fiscal Year Total	Principal	Interest	Total	Fiscal Year Total
12/01/26	$0	$263,147	$263,147		$0	$44,438	$44,438		$0	$307,584	$307,584	
06/01/27	$65,000	$299,788	$364,788	$627,934	$180,000	$50,625	$230,625	$275,063	$245,000	$350,413	$595,413	$902,997
12/01/27	$0	$298,163	$298,163		$0	$46,125	$46,125		$0	$344,288	$344,288	
06/01/28	$225,000	$298,163	$523,163	$821,325	$180,000	$46,125	$226,125	$272,250	$405,000	$344,288	$749,288	$1,093,575
12/01/28	$0	$292,538	$292,538		$0	$41,625	$41,625		$0	$334,163	$334,163	
06/01/29	$235,000	$292,538	$527,538	$820,075	$180,000	$41,625	$221,625	$263,250	$415,000	$334,163	$749,163	$1,083,325
12/01/29	$0	$286,663	$286,663		$0	$37,125	$37,125		$0	$323,788	$323,788	
06/01/30	$250,000	$286,663	$536,663	$823,325	$190,000	$37,125	$227,125	$264,250	$440,000	$323,788	$763,788	$1,087,575
12/01/30	$0	$280,413	$280,413		$0	$32,375	$32,375		$0	$312,788	$312,788	
06/01/31	$265,000	$280,413	$545,413	$825,825	$195,000	$32,375	$227,375	$259,750	$460,000	$312,788	$772,788	$1,085,575
12/01/31	$0	$273,788	$273,788		$0	$27,500	$27,500		$0	$301,288	$301,288	
06/01/32	$135,000	$273,788	$408,788	$682,575	$205,000	$27,500	$232,500	$260,000	$340,000	$301,288	$641,288	$942,575
12/01/32	$0	$270,413	$270,413		$0	$22,375	$22,375		$0	$292,788	$292,788	
06/01/33	$145,000	$270,413	$415,413	$685,825	$215,000	$22,375	$237,375	$259,750	$360,000	$292,788	$652,788	$945,575
12/01/33	$0	$266,788	$266,788		$0	$17,000	$17,000		$0	$283,788	$283,788	
06/01/34	$545,000	$266,788	$811,788	$1,078,575	$230,000	$17,000	$247,000	$264,000	$775,000	$283,788	$1,058,788	$1,342,575
12/01/34	$0	$253,163	$253,163		$0	$11,250	$11,250		$0	$264,413	$264,413	
06/01/35	$570,000	$253,163	$823,163	$1,076,325	$220,000	$11,250	$231,250	$242,500	$790,000	$264,413	$1,054,413	$1,318,825
12/01/35	$0	$238,913	$238,913		$0	$5,750	$5,750		$0	$244,663	$244,663	
06/01/36	$600,000	$238,913	$838,913	$1,077,825	$230,000	$5,750	$235,750	$241,500	$830,000	$244,663	$1,074,663	$1,319,325
12/01/36	$0	$223,913	$223,913		$0	$0	$0		$0	$223,913	$223,913	
06/01/37	$625,000	$223,913	$848,913	$1,072,825	$0	$0	$0	$0	$625,000	$223,913	$848,913	$1,072,825
12/01/37	$0	$208,288	$208,288		$0	$0	$0		$0	$208,288	$208,288	
06/01/38	$660,000	$208,288	$868,288	$1,076,575	$0	$0	$0	$0	$660,000	$208,288	$868,288	$1,076,575
12/01/38	$0	$195,088	$195,088		$0	$0	$0		$0	$195,088	$195,088	
06/01/39	$690,000	$195,088	$885,088	$1,080,175	$0	$0	$0	$0	$690,000	$195,088	$885,088	$1,080,175
12/01/39	$0	$179,563	$179,563		$0	$0	$0		$0	$179,563	$179,563	
06/01/40	$720,000	$179,563	$899,563	$1,079,125	$0	$0	$0	$0	$720,000	$179,563	$899,563	$1,079,125
12/01/40	$0	$165,163	$165,163		$0	$0	$0		$0	$165,163	$165,163	
06/01/41	$750,000	$165,163	$915,163	$1,080,325	$0	$0	$0	$0	$750,000	$165,163	$915,163	$1,080,325
12/01/41	$0	$150,163	$150,163		$0	$0	$0		$0	$150,163	$150,163	
06/01/42	$775,000	$150,163	$925,163	$1,075,325	$0	$0	$0	$0	$775,000	$150,163	$925,163	$1,075,325
12/01/42	$0	$134,663	$134,663		$0	$0	$0		$0	$134,663	$134,663	
06/01/43	$805,000	$134,663	$939,663	$1,074,325	$0	$0	$0	$0	$805,000	$134,663	$939,663	$1,074,325
12/01/43	$0	$117,556	$117,556		$0	$0	$0		$0	$117,556	$117,556	
06/01/44	$1,745,000	$117,556	$1,862,556	$1,980,113	$0	$0	$0	$0	$1,745,000	$117,556	$1,862,556	$1,980,113
12/01/44	$0	$80,475	$80,475		$0	$0	$0		$0	$80,475	$80,475	
06/01/45	$1,820,000	$80,475	$1,900,475	$1,980,950	$0	$0	$0	$0	$1,820,000	$80,475	$1,900,475	$1,980,950
12/01/45	$0	$41,800	$41,800		$0	$0	$0		$0	$41,800	$41,800	
06/01/46	$1,900,000	$41,800	$1,941,800	$1,983,600	$0	$0	$0	$0	$1,900,000	$41,800	$1,941,800	$1,983,600
Totals:	$13,525,000	$8,477,947	$22,002,947	$22,002,947	$2,025,000	$577,313	$2,602,313	$2,602,313	$15,550,000	$9,055,259	$24,605,259	$24,605,259

APPENDIX B

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

TAX BASE, OPERATING, AND DEMOGRAPHIC DATA OF THE DISTRICT

CLARK COUNTY SCHOOL DISTRICT
CLARK COUNTY, KENTUCKY

TAX BASE, OPERATING AND DEMOGRAPHIC DATA

Clark County School District (the "District") is located in Winchester, the county seat of Clark County. The District is operated by a statutory board of education organized and existing pursuant to Chapter 160 of the Kentucky Revised Statutes, vested with the responsibility of providing for the public education in the District by establishing and operating public schools. The Board consists of five members, each elected from a separate division within the District. Board Members are elected for a four-year term on a non-partisan ballot. Terms are staggered so that terms of not more than three members expire at the same time. Currently the Board has two vacancies. The current Board consists of the following members:

Dora Hall – Board Chairperson
Carl Kiser – Vice-Chairperson
Paula Thomas – Member
Ashley Ritchie – Member
Ben Dorsey – Member

TAX BASE INFORMATION

Real Property Subject to Taxation

Fiscal Year	Assessed Value	Assessment Rate
2022	$3,306,004,594	64.900
2023	$3,508,406,413	65.900
2024	$3,753,881,768	67.500
2025	$3,978,141,787	66.800
2026	$4,294,727,873	65.500

Source: Clark County School District

Tax Receipts

Fiscal Year	Taxes Collected	Taxes Budgeted	Percent Collected
2021	$19,843,118	$16,836,153	117.86%
2022	$20,903,144	$18,900,928	110.59%
2023	$22,594,952	$21,039,782	107.39%
2024	$23,730,271	$23,673,608	100.24%
2025	$24,898,201	$25,428,197	97.92%

Source: Audited Financial Statements

OPERATING AND FINANCIAL DATA

The District serves the public educational needs of the County of Clark, Kentucky. The District's historical average daily attendance is summarized below:

School Year	Average Daily Attendance
2021-22	4,827
2022-23	4,827
2023-24	4,627
2024-25	4,675
2025-26	4,829

Source: Kentucky Department of Education

SEEK, FSPK and Capital Outlay Allotments

Description	Fiscal Year				
	2022	2023	2024	2025	2026
SEEK Funds	17,310,957	17,686,299	16,916,807	19,008,523	$21,203,205
FSPK Allotment	1,116,050	1,396,404	948,142	1,684,232	$1,553,978
Capital Outlay	482,757	482,757	462,798	467,578	$482,965

Source: Kentucky Department of Education

Top Ten Taxpayers - Real Property

Taxpayer	Assessed Value
Kentucky Hospital LLC	$45,367,600
Infiltrator Water Technologies LLC	$22,512,000
Smith Asset Holdings LLC	$21,420,800
Tierney Storage LLC	$14,141,400
Twentyone O One LLC	$13,683,100
MOB-A LLC	$12,300,000
RM-Winchester LLC	$12,250,000
MOB-B LLC	$11,900,000
Sekisui S-Lec America LLC	$11,805,000
Wal-Mart Real Estate Business Trust	$11,000,000

Source: Clark County PVA

Outstanding Bonds

Bond Series	Original Par Amount	Current Amount Outstanding*	Approximate District Portion	Final Maturity
2010 QSCB	$41,535,000	$41,535,000	100.00%	06/01/2026
2011 QZAB	$2,845,000	$2,845,000	100.00%	12/01/2030
2011 QSCB	$15,450,000	$15,450,000	0.00%	12/01/2030
2014 KISTA	$420,657	$146,942	100.00%	06/01/2031
2015	$8,380,000	$5,980,000	73.01%	04/01/2035
2017 ESG	$7,970,000	$5,960,000	100.00%	05/01/2037
2017B	$19,255,000	$17,625,000	93.63%	09/01/2037
2019	$3,000,000	$2,950,000	100.00%	02/01/2039
2020 REF	$2,265,000	$1,030,000	0.00%	11/01/2030
2021 TAX REF	$9,770,000	$7,625,000	100.00%	08/01/2032
2023	$22,710,000	$22,495,000	94.22%	03/01/2043
2024	$2,548,000	$2,064,039	100.00%	06/01/2034
Totals:	$136,148,657	$125,705,981	---	---

*As of 6/1/2026

Overlapping Debt

Issuer	Original Par Amount	Amount Redeemed	Principal Outstanding
Clark County	$5,251,121	$1,700,768	$3,550,353
City of Winchester	$27,205,000	$1,707,165	$25,497,835
Library District	$1,400,000	$1,120,000	$280,000
Total:	$33,856,121	$4,527,933	$29,328,188

DEMOGRAPHIC DATA

Population

Description	2021	2022	2023	2024	2025
Winchester	19,284	19,035	18,883	19,619	19,786
Clark County	36,941	36,852	37,263	37,502	37,974

Source: Kentucky Cabinet for Economic Development

Population Projections

Description	2030	2035	2040	2050
Clark County	37,862	38,011	38,016	38,047

Source: Kentucky State Data Center, University of Louisville

Unemployment Rates (%)

Year	Clark County	Kentucky	U.S.
2020	6.4	6.5	8.1
2021	4.2	4.4	5.3
2022	3.7	4.0	3.6
2023	4.0	4.2	3.6
2024	4.7	4.8	4.0

Source: Kentucky Center for Statistics

INDUSTRY

Employment by Major Industry

Clark County	Employees	Percent (%)
Agricultural, Forestry, Fishing	203	1.91
Mining	25	0.24
Construction	628	5.92
Manufacturing	1,663	15.67
Transportation and Communications	715	6.74
Wholesale Trade	802	7.56
Retail Trade	2,261	21.30
Finance, Insurance And Real Estate	760	7.16
Services	3,294	31.03
Public Administration	263	2.48
Unclassified	0	n/a

Source: Kentucky Cabinet for Economic Development

APPENDIX C

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

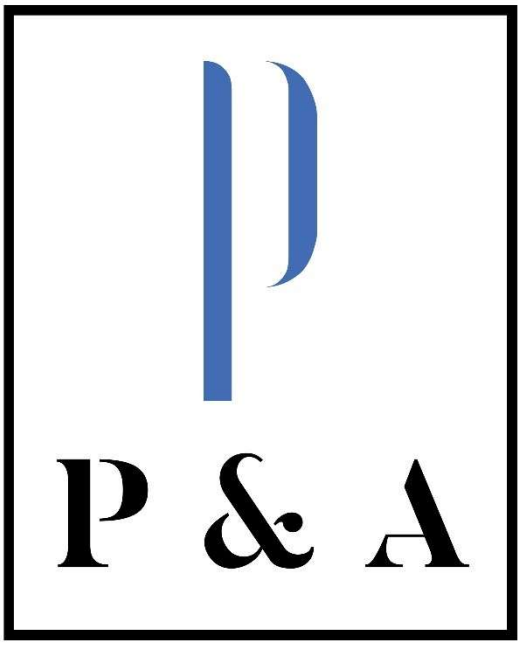
AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CLARK COUNTY BOARD OF EDUCATION

AUDITED FINANCIAL STATEMENTS AND

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025



PATRICK & ASSOCIATES, LLC

124 Candlewood Drive

Winchester, KY 40391

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PATRICK & ASSOCIATES, LLC

124 Candlewood Drive
Winchester, KY 40391

Independent Auditor's Report

Kentucky State Committee for School District Audits
Board of Education of the Clark County School District
Winchester, KY

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark County School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Clark County School 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 Clark County School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract, including Appendix II Instructions for Submissions of the Audit Report.* 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 Clark County School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Emphasis of Matter

Change in Accounting Principle

As described in Note III, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 101*, Compensated Absences,* for the year ended June 30, 2025, which represents a change in accounting principle. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and OPEB information 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 Clark County School District's basic financial statements. The combining and individual nonmajor fund financial statements, student activity fund schedules, 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.

Supplementary Information (Continued)

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, student activity fund schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, on our consideration of the Clark County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clark County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit preformed in accordance with *Government Auditing Standards* in considering the Clark County School District's internal control over financial reporting and compliance.

Patrick & Associates, LLC

Patrick & Associates, LLC
Winchester, Kentucky

December 18, 2025

Management Discussion and Analysis

As management of the Clark County Board of Education (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

Financial Highlights

- In the government-wide statements, the assets and deferred inflows of the District exceeded its total liabilities and deferred inflows on June 30, 2025 by $60,606,749. Of this amount, $84,193,254 represents the District's investment in capital assets, $1,090,263 is restricted for capital projects, $(721,225) is restricted for business-type activities, and the unrestricted net deficit of $25,295,361.
- The total General Fund balance for FY 25 is $8,825,284 as compared to $11,084,138 for FY 24, which is greater than 2% of total budgeted expenditures as required by state law. The General Fund had $61,825,830 in revenue which primarily consisted of state program (SEEK), property, utilities and motor vehicle taxes. The General Fund also recognized bond proceeds of $2,548,000 and transfers in of $1,891,728. The General Fund expenditures totaled $68,043,635 and transfers out totaled $480,777.
- The District's ending net position decreased by $2,612,906, primarily due to the implementation of GASB 101, *Compensated Absences*. There was also a decrease in total assets and deferred outflows of $6,572,217 offset by a decreased in total liabilities and deferred inflows of $6,160,277.
- General Fund SEEK revenue for the year totaled $19,008,523 compared to $16,633,373 in the prior year. This represents a $2,375,150 increase from the previous years' funding.
- The District levied tax rates of 66.8 cents for real estate, 67.5 cents tangible, and 53.5 cents motor vehicle per $100 in assessed value and 3% for utility tax.

Governmental Activities

- The governmental activities include the following funds: general, special revenue, district activity, student activity, capital outlay, facility support program, construction, and debt service. The Statement of Activities reflects revenues of $80,363,297 and expenditures of $80,154,373. Of the revenues, $42,448 related to charges for services, $27,734,278 from operating grants and contributions, $1,370,760 from capital grants and contributions and the remaining $51,215,811 was related to general revenues and transfers.

Business-Type Activities

- The business-type activities are food service and daycare services. The Statement of Activities reflects revenues of $6,958,243 and expenses of $7,572,106 for the fiscal year 2025. Of the revenues, $1,038,422 related to charges for services, $5,802,718 from operating grants and contributions, $110,103 related to general revenues and transfers.

Clark County Public Schools is committed to ensuring that quality instruction is a top priority within all classrooms and all schools in CCPS. By delivering intentional tier one instruction, all students will benefit as we continue to grow greatness across the district.

Academically, our vision is centered on growth and providing high quality Tier I instruction. Our vision focuses on achieving this growth through what we have defined as our "Five Foundations for High Quality Tier I Instruction." These foundations include Continuous Development, Congruence, Student Engagement, Differentiation and Monitoring. The refined CCPS Academic Vision was communicated with every CCPS certified staff prior to the start of the school year to ensure we are all aligned in regards to where our district currently is, where we are going, and how we are going to get there. These foundations continue to be introduced to new Clark County teachers as they are hired and are the backbone of each professional learning opportunity, academic decision, and focus of new teacher meetings. Our vision outlines how we will

continue to improve, develop higher levels of performance, and reflect the areas identified in our GAP groups. The five foundations and pillars that exist within each are outlined below:

Continuous Development: Continuous development is ongoing and encompasses lifelong learning. It emphasizes the importance of adaptability, personalization, using data, and the integration of new knowledge to remain relevant and be the best we can be for our students!

What Does That Look Like in Clark County: Cardinal Connections Academy, CC 101, Deeper Learning Cohort, Instructional Leadership Development for Administrators

Congruence: Congruence is defined as "The quality of being similar to, or in agreement with, another thing." In education, this applies to so many aspects; including classroom to classroom, targets and assessments to standards, and learning activities to support both.

What Does That Look Like in Clark County: Learning Targets, Standards Mapping, Common Assessments, Phonics, Writing Plan

Student Engagement: Student engagement is the active and enthusiastic participation of students in the learning process. It involves their emotional investment, curiosity, and commitment to learning, which leads to improved academic performance and a positive learning experience.

What Does That Look Like in Clark County: Effective Lesson Design, Kagan Cooperative Learning Structures, Attendance

Differentiation: Differentiation refers to the practice of tailoring instruction and learning experiences to meet the diverse needs, abilities, and learning styles of individual students within a classroom.

What Does That Look Like in Clark County: Specially Designed Instruction, Station Teaching Focus, Intentional Scheduling, Gifted & Talented

Monitoring: Monitoring teachers and instruction in education involves the systematic observation of educators' teaching practices, methods, and effectiveness to provide feedback, support professional development, and improve the overall educational experience for all students.

What Does That Look Like in Clark County: MTSS, District Walkthrough Tool, Kagan Coaching, Orton-Gillingham Coaching

To promote the Academic Vision and provide support district wide, Instructional Specialists expand to meet the needs of teachers and administrators. Instructional Specialist positions (coaches) provide a plethora of resources for teachers and administrators at the preschool, elementary, intermediate, junior high, and high school level. First, an Instructional Specialist is a resource for teachers within the classroom. Through regular observations and reflective feedback, an Instructional Specialist can support teachers in designing instruction to meet the needs of all students. This may be through providing tangible resources, sharing instructional strategies, or modeling lessons and strategies through co-teaching. Additionally, Instructional Specialists provide training and professional development opportunities outside of the classroom. These could include professional development sessions prior to the start of school through Cardinal Connections Academy or throughout the year as needed. Session topics could range from how to improve classroom management to student engagement strategies; monthly new teacher cadre meetings with first and second year teachers; meetings with teacher leaders across the district to get insight about common assessments and a district writing plan; as well as various trainings that may meet the needs of a specific school building. Further, Instructional Specialists provide communication and work with principals to build their capacity as instructional leaders within their schools. From resource providers, data collectors, and mentors to learning facilitators, communicators, and classroom supporters, Instructional Specialists in Clark County wear many hats in order to best support teachers and administrators in schools across the district.

To further drive Tier Instruction, Professional Learning Communities, or PLCs, are an ongoing, collaborative process that is utilized in every school in Clark County. PLC teams in each building come together weekly in order to collaborate, reflect, and determine the best strategies to remove barriers from student learning and a student's journey to master content standards. Clark County uses a universal PLC Protocol tool in order to track student progress, reflect on instructional strategies, and dissect content standards. This PLC Protocol is driven by Dufour's research and emphasizes four questions: What is it that we expect our students to learn? How will we know when our students have learned it? How will we respond when our students do not learn it? How will we respond when our students already know it? The most updated PLC document asks teams to visit and reflect on different questions depending on their progression through a unit. Teams have the freedom to choose what they will base their PLC meetings around, whether it is planning a unit by dissecting standards, creating formative or summative assessments that align with grade level standards and reading levels, or analyzing student data after a common assessment. They will record their discoveries and work on the PLC Protocol each week.

In Clark County, we believe it is essential that teachers and staff have a plethora of opportunities to learn from their peers and other educational professionals. Professional development is provided for Clark County teachers in many capacities and is based on the needs and interests of the employees. Teachers are regularly surveyed and observed in order to determine the best areas in which to provide support.

Cardinal Connections Academy is a one-day event that provides multiple options for professional development courses provided by district leaders, teachers, as well as out-of-district educational professionals. CCA is a great opportunity for teachers to connect beneficial professional development with the classroom while also connecting with other teachers and leaders in the district. This personalized professional development opportunity allows for teachers to attend courses on a wide range of topics like AI in the classroom, strategies for serving our special populations, and various instructional strategies to apply in the classroom.

Additionally, each school in the district provides their own in-house professional developments that apply to their building grade levels in order to prep and prepare teachers to best meet the needs of their particular students. These professional development opportunities not only happen prior to the start of school, but also take place throughout the school year as needs arise.

While it is easy to frontload professional development and hold learning sessions for teachers at the beginning of a school year, Clark County believes that learning and obtaining new strategies for the classroom should always be ongoing. Therefore, the District Academic Team is available to provide professional development opportunities as needed throughout the school year. Whether these are required, Need to Know sessions, or optional, Neat to Know sessions, these are a chance for teachers across the district, no matter the grade level, to attend sessions that they find would be helpful for their own classroom or that are of interest to them. We are dedicated to tying all professional development back for our Academic Vision and focus on the “5 Foundations for High Quality Tier I Instruction.”

Clark County Public Schools is committed to providing support, encouragement and mentoring to all first year teachers in order to provide the best educational experience and environment for our students. We are committed to the success of a New Teacher Mentoring Program to foster the relationships and build this support for our first year teachers. The objectives of the New Teacher Mentoring Program are to familiarize new teachers with school district policies and practices and to integrate them into the social system of the school and community, provide an opportunity for the new teacher to analyze and reflect on their teaching with coaching from veteran teachers, support the development of the new teacher’s professional knowledge and skills, provide continued assistance to face the challenges of the new teacher, cultivate a professional attitude toward teaching and learning and working with others such as students, parents, and colleagues.

Within this mentoring program, we provide three cohorts. Cohort 1 is for brand new, first-year teachers. Cohort 1 initially supports new teachers through ongoing monthly cadre meetings. Cadre meetings will focus on pertinent activities

designed to develop and refine the professional knowledge and skills of the new teachers. Other teachers, including second year teachers, may be invited to attend these meetings as advised by an administrator. District administrators and/or instructional specialists will facilitate cadre meetings. Mentors are encouraged to attend with their assigned mentee, but are not required to do so. Secondly, they are also given an assigned mentor within the school building where the mentor and first year teacher will build relationships to foster the learning process of a 1st year teacher. Mentors will provide support, resources and encouragement as needed. Support includes adapting to the school culture/climate, guidance with curriculum, teaching strategies, communication skills, providing suggestions and filling in any gaps left by the university teacher training programs. Lastly, teachers in Cohort 1 will also be given support through observations conducted by a designated committee. Teachers will go through 3 cycles of instructional observations where they will have pre and post observation sessions.

Cohort 2 is for second year teachers. This mentoring program provides support through ongoing cadre meetings, modeling lessons, instructional design, and regular observations. Cohort 2 meets once each 9-weeks for reflection, training, and additional support.

In addition to outside professional development, meetings, and training, the District Academic Team provides support within the classroom for new teachers. The Instructional Specialists spend time building relationships, observing, modeling, and planning with new teachers in order to give them the most support during their first years in education.

Clark County is committed to providing support to advancing each district initiative in order to be intentional in how we serve our students.

Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District at year-end with the difference 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 net position of the District 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 for items that will only result in cash flows in future fiscal periods.

In both statements, the District's activities are shown in one category as governmental activities. The governmental activities of the District include services related to K-12 education. These activities are primarily supported through property taxes, Support Education Excellence in Kentucky (SEEK) funding, and other intergovernmental revenues.

The government-wide financial statements begin on page 13 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District can be divided into three categories: governmental funds, proprietary fund, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the general Fund, special revenue fund, district activity fund, school activity fund, capital outlay fund, facilities Support Program of Kentucky (FSPK) fund, school construction fund and the debt service fund.

Proprietary funds. The District maintains one type of proprietary fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses the enterprise fund to accounts for its operations for food services and day care programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary funds. Fiduciary fund is used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the district's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District uses the fiduciary fund to account for private purpose trust funds used for scholarships. The District currently does not have any fiduciary funds.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements start on page 24 of this report.

Other information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information. This information starts on page 55 of this report.

The District adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement has been provided for the general and special revenue fund.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $60,788,765 for governmental activities and liabilities and deferred inflows exceeded assets and deferred outflows by $181,926 for business-type activities at the close of the fiscal year.

Clark County Board of Education Comparative Statement of Net Position

	Governmental Activities		Business-type Activities	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Assets				
Current and other assets	$ 15,032,078	$ 27,922,792	$ 1,235,776	$ 1,951,430
Net capital assets	172,473,120	164,351,236	539,299	346,092
Total assets	187,505,198	192,274,028	1,775,075	2,297,522
Deferred Outflows of Resources				
Deferred pension differences and contributions made after measurement date	11,774,482	13,079,595	724,798	700,625
Total deferred outflows of resources	11,774,482	13,079,595	724,798	700,625
Total assets and deferred outflows of resources	199,279,680	205,353,623	2,499,873	2,998,147
Liabilities				
Current liabilities	10,336,671	11,283,094	63,787	92,523
Non-current liabilities:				
Debt service due in more than one year	88,611,750	90,188,107	183,905	147,124
Net pension liability	18,099,634	17,593,160	1,114,152	942,399
Other post-employment benefits liability	6,873,591	8,459,960	423,115	453,168
Total liabilities	123,921,646	127,524,321	1,784,959	1,635,214
Deferred Inflows of Resources				
Deferred inflows of resources - pensions	3,509,898	4,426,653	216,057	237,120
Deferred inflows of resources - OPEB	11,059,461	12,822,898	680,783	686,875
Total deferred inflows of resources	14,569,359	17,249,551	896,840	923,995
Total liabilities and deferred inflows of resources	138,491,005	144,773,872	2,681,799	2,559,209
Net position				
Net Investment in Capital Assets	83,653,955	73,285,322	539,299	346,092
Restricted for Capital Projects	1,090,263	10,589,288	-	-
Other	1,339,818	1,095,879	(721,225)	92,845
Unrestricted	(25,295,361)	(24,390,738)	-	-
Total net position	$ 60,788,675	$ 60,579,751	$ (181,926)	$ 438,937

A significant portion of the District's net position reflects its net investment in capital assets (e.g., buildings, vehicles, and equipment.) The District used the capital assets to provide services to 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.

There were decreases in current and capital assets totaling $5,291,277. There were decreases in the deferred outflows of resources by $1,280,940, a decrease in the net pension liability by $678,277, a decrease in the other post-employment benefit liability of $1,616,422 and a decrease of $2,707,347 reported in deferred inflows. These changes are from the calculation of the pension liability for the District's proportionate share of the pension and other post-employment benefit liabilities.

Changes in net position. The District's net position decreased by $2,612,906 from the prior fiscal year. $2,200,967 of that decrease can be attributed to the implementation of GASB 101, *Compensated Absences*.

Clark County Board of Education Comparative Statement of Activities

Revenues	June 30, 2025	June 30, 2024	Increase (Decrease)
Program revenues			
Charges for services	$ 1,080,870	$ 366,505	$ 714,365
Operating grants and contributions	33,536,996	36,247,150	(2,710,154)
Capital grants and contributions	1,370,760	1,368,169	2,591
General revenues			
Property taxes	21,625,917	20,420,942	1,204,975
Motor vehicle taxes	2,283,418	2,248,882	34,536
Franchise taxes	2,265,647	1,892,988	372,659
Utility taxes	2,701,361	2,921,341	(219,980)
State formula grants	19,008,523	16,633,373	2,375,150
Other local revenue	1,433,466	1,300,335	133,131
Student activities	860,141	796,980	63,161
Unrestricted investment earnings	1,147,441	1,910,812	(763,371)
Total revenues	87,314,540	86,107,477	1,207,063
Expenses			
Instruction	44,210,237	40,345,628	3,864,609
Support services	13,352,776	13,158,120	194,656
Plant operations and maintenance	9,002,869	9,491,242	(488,373)
Student transportation	6,957,372	6,366,817	590,555
Community Services Operations	887,579	763,997	123,582
Building acquisition and construction	(933,308)	648,770	(1,582,078)
Building improvements	29,114	687,505	(658,391)
Other instructional services	15,483	22,849	(7,366)
Other non-instructional services	22,104	5,844	16,260
Debt Service	2,497,146	2,439,063	58,083
Depreciation	4,164,999	3,549,494	615,505
Food service operations	6,105,007	5,991,252	113,755
Community education operations	1,415,101	356,503	1,058,598
Total	87,726,479	83,827,084	3,899,395
Change in net position	(411,939)	2,280,393	(2,692,332)
Net position - beginning, as previously reported	61,018,688	60,939,262	79,426
Change in accounting principle (GASB 101)	-	(2,200,967)	(2,200,967)
Net position - beginning, as restated	61,018,688	58,738,295	(2,121,541)
Net position - ending	$ 60,606,749	$ 61,018,688	$ (411,939)

As noted earlier, the District used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the CCBOE's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Financial Highlights

General Fund Budget Highlights

The District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The State Department of Education requires a zero-based budget with any budgeted remaining fund balance shown as a contingency expense in the budget process. The most significant budgeted fund is the General Fund.

A variance comparison is presented between the final budgeted amounts and the actual amounts. Revenues for the General Fund were budgeted at $60,197,577 with actual amounts totaling $61,825,830. Budgeted expenditures were $75,110,259 compared to actual expenditures of $68,043,635.

Capital Assets

At the end of the fiscal year 2025, the District had a total of $173,012,419 in capital assets, net of depreciation of this amount $172,473,120 was in the governmental activities and $539,299 was in the business-type activities. For the fiscal year, capital asset increases totaled $20,729,669 depreciation totaled $4,164,999 and construction in progress decreased in total by $7,911,452. At the end of the fiscal year 2024, the District had a total of $164,697,328 in capital assets, net of depreciation of this amount $164,351,236 was in the governmental activities and $346,092 was in the business-type activities. See detailed table in the notes to the financial statements.

Debt

At June 30, 2025, the District had $87,949,471 in bonds outstanding, of this amount $8,755,681 is to be paid from the Kentucky School Facilities Construction Commission funding provided by the State of Kentucky. A total of $4,598,453 is due within one year. At June 30, 2024, the District had $89,972,963 in bonds outstanding. See detailed table in the notes to the financial statements.

Request for Information

This financial report is designed to provide a general overview of the Clark County Board of Education's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to aleisha.ellis@clark.kyschools.us .

Financial Statements

CLARK COUNTY BOARD OF EDUCATION
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	$ 8,910,236	$ 910,079	$ 9,820,315
Receivables			
Taxes -current	190,484	-	190,484
Accounts	179,900	-	179,900
Intergovernmental - state	95,948	-	95,948
Intergovernmental - federal	3,186,966	285,645	3,472,611
Interfund receivables	2,468,544	-	2,468,544
Inventory	-	40,052	40,052
Total capital assets, net of depreciation	172,473,120	539,299	173,012,419
Total assets	187,505,198	1,775,075	189,280,273
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	5,363,336	330,149	5,693,485
Deferred outflows - OPEB contributions	6,411,146	394,649	6,805,795
Total deferred outflows of resources	11,774,482	724,798	12,499,280
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	199,279,680	2,499,873	201,779,553
LIABILITIES			
Accounts Payable	760,311	38,709	799,020
Interfund Account Payable	2,468,544	-	2,468,544
Accrued interest payable	925,777	-	925,777
Unearned revenue	763,812	-	763,812
Long term liabilities:			
Due within one year			
Bond obligations	4,598,453	-	4,598,453
Leases	194,477	-	194,477
Compensated absences	625,297	25,078	650,375
Due beyond one year			
Bond obligations	83,351,018	-	83,351,018
Leases	675,217	-	675,217
Compensated absences	4,585,515	183,905	4,769,420
Net pension liability	18,099,634	1,114,152	19,213,786
Net OPEB liability	6,873,591	423,115	7,296,706
Total liabilities	123,921,646	1,784,959	125,706,605
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	3,509,898	216,057	3,725,955
Deferred inflows of resources - OPEB	11,059,461	680,783	11,740,244
Total deferred inflows of resources	14,569,359	896,840	15,466,199
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	138,491,005	2,681,799	141,172,804
NET POSITION			
Net Investment in Capital Assets	83,653,955	539,299	84,193,254
Restricted for:			
Capital projects	1,090,263	-	1,090,263
Other	1,339,818	(721,225)	618,593
Unrestricted	(25,295,361)	-	(25,295,361)
TOTAL NET POSITION	$ 60,788,675	$ (181,926)	$ 60,606,749

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

CLARK COUNTY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	PROGRAM REVENUES: Charges for Services	PROGRAM REVENUES: Operating Grants and Contributions	PROGRAM REVENUES: Capital Grants and Contributions	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION — PRIMARY GOVERNMENT: Governmental Activities	Business-type Activities	Totals
PRIMARY GOVERNMENT:							
Governmental activities:							
Instructional	$ 44,210,237	$ 42,448	$ 17,861,439	$ -	$ (26,306,350)	$ -	$ (26,306,350)
Support Services							
Student	4,889,756	-	1,745,921	-	(3,143,835)	-	(3,143,835)
Instructional Staff	1,751,553	-	663,233	-	(1,088,320)	-	(1,088,320)
District Administration	1,613,454	-	130,159	-	(1,483,295)	-	(1,483,295)
School Administration	2,841,084	-	830,929	-	(2,010,155)	-	(2,010,155)
Business	2,256,929	-	399,765	-	(1,857,164)	-	(1,857,164)
Plant operations and maintenance	9,002,869	-	1,372,915	-	(7,629,954)	-	(7,629,954)
Student Transportation	6,957,372	-	1,707,110	-	(5,250,262)	-	(5,250,262)
Community Services Operations	887,579	-	870,997	-	(16,582)	-	(16,582)
Building acquisition and construction	(933,308)	-	2,151,810	-	3,085,118	-	3,085,118
Building improvements	29,114		-	-	(29,114)	-	(29,114)
Other instructional services	15,483	-	-	-	(15,483)	-	(15,483)
Other non-instructional services	22,104	-	-	-	(22,104)	-	(22,104)
Debt Service	2,497,146	-	-	1,370,760	(1,126,386)	-	(1,126,386)
Depreciation	4,113,001	-	-	-	(4,113,001)	-	(4,113,001)
Total governmental activities	80,154,373	42,448	27,734,278	1,370,760	(51,006,887)	-	(51,006,887)
Business-type activities:							
Food service operations	6,105,007	308,707	5,802,718	-	-	6,418	6,418
Community education operations	1,415,101	729,715	-	-	-	(685,386)	(685,386)
Depreciation	51,998	-	-	-	-	(51,998)	(51,998)
Total business-type activities	7,572,106	1,038,422	5,802,718	-	-	(730,966)	(730,966)
Total primary government	$ 87,726,479	$ 1,080,870	$ 33,536,996	$ 1,370,760	$ (51,006,887)	$ (730,966)	$ (51,737,853)
	General revenues						
	Taxes:						
	Property taxes				$ 21,625,917	$ -	$ 21,625,917
	Motor vehicle taxes				2,283,418	-	2,283,418
	Franchise taxes				2,265,647	-	2,265,647
	Utility taxes				2,701,361	-	2,701,361
	State formula grants				19,008,523	-	19,008,523
	Other local revenue				1,430,981	2,485	1,433,466
	Student activities				860,141	-	860,141
	Unrestricted investment earnings				1,064,135	83,306	1,147,441
	Transfers				(24,312)	24,312	-
	Total general revenues and transfers				51,215,811	110,103	51,325,914
	Change in net position				208,924	(620,863)	(411,939)
	Net position - beginning, as previously reported				62,613,531	606,124	63,219,655
	Change in accounting principle (GASB 101)				(2,033,780)	(167,187)	(2,200,967)
	Net position - beginning, as restated				60,579,751	438,937	61,018,688
	Net position - ending				$ 60,788,675	$ (181,926)	$ 60,606,749

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

CLARK COUNTY SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Special Revenue Fund	Construction Fund	Debt Service Fund	Total Non-Major Funds	Totals
ASSETS						
Cash and cash equivalents	$ 6,732,472	$ -	$ 1,090,263	$ -	$ 1,087,501	$ 8,910,236
Interfund receivables	2,468,544	-	-	-	-	2,468,544
Receivables						
Taxes-current	190,484	-	-	-	-	190,484
Accounts	62,400	106,185	-	-	11,315	179,900
Intergovernmental - state	-	95,948	-	-	-	95,948
Intergovernmental - federal	-	833,445	-	2,353,521	-	3,186,966
Total assets	9,453,900	1,035,578	1,090,263	2,353,521	1,098,816	15,032,078
LIABILITIES						
Accounts payable	628,616	70,862	-	-	60,833	760,311
Interfund payable	-	115,023	-	2,353,521	-	2,468,544
Unearned revenue	-	763,812	-	-	-	763,812
Total liabilities	628,616	949,697	-	2,353,521	60,833	3,992,667
FUND BALANCE						
Restricted	215,954	85,881	1,090,263	-	1,037,983	2,430,081
Committed	1,406,859	-	-	-	-	1,406,859
Assigned	2,870,241	-	-	-	-	2,870,241
Unassigned	4,332,230	-	-	-	-	4,332,230
Total fund balance	8,825,284	85,881	1,090,263	-	1,037,983	11,039,411
TOTAL LIABLITIES AND FUND BALANCE	$ 9,453,900	$ 1,035,578	$ 1,090,263	$ 2,353,521	$ 1,098,816	$ 15,032,078

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

CLARK COUNTY SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds	**$ 11,039,411**
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net position	172,473,120
Deferred outflows of resources are not recorded in the governmental fund financials because they do not affect current resources but are recorded in the statement of net position.	
Pension contributions deferred outflows	5,363,336
OPEB contributions deferred outflows	6,411,146
Certain assets (obligations) are not a use of financial resources and therefore, are not reported in the government funds, but are presented in the statement of net position	
Net pension liability	(18,099,634)
Net OPEB liability	(6,873,591)
Deferred inflows of resources are not recorded in the governmental fund financials because they do not affect current resources but are recorded in the statement of net position	
Pension plan deferred inflows	(3,509,898)
OPEB plan deferred inflows	(11,059,461)
Certain liabilities (such as bond payable, the long-term portion of accrued sick leave, and other accrued liabilities) are not reported in the fund financial statement because they are not due and payable, but are presented in the statement of net position as follows:	
Bonds payable	(87,949,471)
Capital lease payable	(869,694)
Accrued interest	(925,777)
Accrued compensated absences	(5,210,812)
Net position of governmental activities	**$ 60,788,675**

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

CLARK COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Construction Fund	Debt Service Fund	Total Non-Major Funds	Totals
REVENUES						
From Local Sources						
Taxes						
Property	$ 18,541,164	$ -	$ -	$ -	$ 3,084,753	$ 21,625,917
Motor vehicle	1,884,717	-	-	-	398,701	2,283,418
Franchise	1,770,959	-	-	-	494,688	2,265,647
Utilities	2,701,361	-	-	-	-	2,701,361
Tuition	42,448	-	-	-	-	42,448
Earnings on investments	800,292	493	213,305	-	50,045	1,064,135
Student activities	-	-	-	-	860,141	860,141
Other local revenue	926,578	293,460	-	-	210,943	1,430,981
Intergovernmental - state	34,628,679	3,526,283	-	1,370,760	2,151,810	41,677,532
Intergovernmental - federal	529,632	5,906,397	-	-	-	6,436,029
Total revenues	61,825,830	9,726,633	213,305	1,370,760	7,251,081	80,387,609
EXPENDITURES						
Instruction	38,538,602	7,155,163	-	-	640,641	46,334,406
Support services						
Student	4,267,562	613,028	-	-	9,166	4,889,756
Instructional staff	1,400,489	300,811	-	-	50,253	1,751,553
District Administration	1,613,454	-	-	-	-	1,613,454
School Administration	2,841,084	-	-	-	-	2,841,084
Business	2,256,929	-	-	-	-	2,256,929
Plant operation and maintenance	8,568,482	382,772	-	-	51,615	9,002,869
Student Transportation	7,616,105	332,622	-	-	196,147	8,144,874
Community Services Operations	3,425	870,997	-	-	13,157	887,579
Building acquisitions and construction	-	-	9,375,896	-	-	9,375,896
Building improvements	-	-	29,114	-	-	29,114
Other Instructional Services	-	-	-	-	15,483	15,483
Other Non-Instructional Services	-	-	-	-	22,104	22,104
Debt service						
Principal	679,058	-	-	4,115,691	-	4,794,749
Interest	258,445	-	-	2,238,701	-	2,497,146
Total expenditures	68,043,635	9,655,393	9,405,010	6,354,392	998,566	94,456,996
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,217,805)	71,240	(9,191,705)	(4,983,632)	6,252,515	(14,069,387)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	2,548,000	-	-	-	-	2,548,000
Operating transfers in	1,891,728	92,549	293,867	4,983,632	60,164	7,321,940
Operating transfers (out)	(480,777)	(77,908)	(293,867)	-	(6,493,700)	(7,346,252)
Total other financing sources and (uses)	3,958,951	14,641	-	4,983,632	(6,433,536)	2,523,688
NET CHANGE IN FUND BALANCE	(2,258,854)	85,881	(9,191,705)	-	(181,021)	(11,545,699)
FUND BALANCE - BEGINNING, as previously reported	11,084,138	-	10,281,968	-	1,247,888	22,613,994
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	-
Error correction	-	-	-	-	(28,884)	(28,884)
FUND BALANCE - BEGINNING, as restated	11,084,138	-	10,281,968	-	1,219,004	22,585,110
FUND BALANCE - ENDING	$ 8,825,284	$ 85,881	$ 1,090,263	$ -	$ 1,037,983	$ 11,039,411

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

CLARK COUNTY SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds	**$ (11,545,699)**
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.	
Capital outlays	12,573,012
Depreciation Expense	(4,113,001)
Gain on sale of equipment	(338,127)
Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expense are recognized in the statement of activities when they are incurred for the following:	
Accrued interest	(2,032)
Amortization of bond costs	(24,792)
Governmental funds report CERS contributions as expenditures when paid. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pension, and investment experience.	
Pension Expense	193,803
OPEB Expense	2,261,173
Long-term debt proceeds are reported as other financing resources in funds, thereby increasing fund balances. In the statement of net position, however, issuing long-term debt increases liabilities and has no effect on net position. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Bond proceeds	(2,548,000)
Bond principal repaid	4,571,492
Lease principal repaid	223,257
Compensated absences	(1,042,162)
Change in net position of governmental	**$ 208,924**

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

CLARK COUNTY BOARD OF EDUCATION
Budget and Actual General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
From Local Sources				
Taxes				
Property	$ 17,940,968	$ 17,940,968	$ 18,541,164	$ 600,196
Motor vehicle	1,699,665	1,699,665	1,884,717	185,052
Franchise	2,787,564	2,787,564	1,770,959	(1,016,605)
Utilities	3,000,000	3,000,000	2,701,361	(298,639)
Tuition	40,000	40,000	42,448	2,448
Earnings on investments	750,000	750,000	800,292	50,292
Other local revenue	995,857	995,857	926,578	(69,279)
Intergovernmental - state	31,937,397	32,483,523	34,628,679	2,145,156
Intergovernmental - federal	500,000	500,000	529,632	29,632
Total Revenues	59,651,451	60,197,577	61,825,830	1,628,253
EXPENDITURES				
Instruction	37,332,121	37,511,434	38,538,602	(1,027,168)
Support Services				
Student	4,538,423	4,538,423	4,267,562	270,861
Instructional Staff	1,269,031	1,266,540	1,400,489	(133,949)
District Administration	1,672,032	1,668,297	1,613,454	54,843
School Administration	2,591,904	2,591,904	2,841,084	(249,180)
Business	2,554,051	2,624,051	2,256,929	367,122
Plant Operation and Maintenance	10,643,487	10,643,487	8,568,482	2,075,005
Student Transportation	7,181,987	7,111,987	7,616,105	(504,118)
Community Services	3,461	3,461	3,425	36
Debt Service	590,608	909,311	937,503	(28,192)
Contingency	6,369,148	6,241,364	-	6,241,364
Total Expenditures	74,746,253	75,110,259	68,043,635	7,066,624
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	(15,094,802)	(14,912,682)	(6,217,805)	8,694,877
OTHER FINANCING SOURCES (USES)				
Bond proceeds	2,519,808	2,519,808	2,548,000	28,192
Operating transfers in	1,922,931	1,922,931	1,891,728	(31,203)
Operating transfers (out)	(455,149)	(458,884)	(480,777)	(21,893)
Total other financing sources and (uses)	3,987,590	3,983,855	3,958,951	(24,904)
NET CHANGE IN FUND BALANCE	(11,107,212)	(10,928,827)	(2,258,854)	8,669,973
FUND BALANCE - BEGINNING	11,107,212	10,928,827	11,084,138	155,311
FUND BALANCE - ENDING	$ -	$ -	$ 8,825,284	$ 8,825,284

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

CLARK COUNTY BOARD OF EDUCATION
Budget and Actual Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
From Local Sources				
Earnings on investments	$ -	$ 493	$ 493	$ -
Other local revenue	59,325	213,841	293,460	79,619
Intergovernmental - state	2,788,642	2,931,402	3,526,283	594,881
Intergovernmental - federal	4,562,346	5,277,012	5,906,397	629,385
Total Revenues	7,410,313	8,422,748	9,726,633	1,303,885
EXPENDITURES				
Instruction	5,535,422	6,246,038	7,155,163	(909,125)
Support Services				
Student	408,538	397,954	613,028	(215,074)
Instructional Staff	345,410	381,594	300,811	80,783
Plant Operation and Maintenance	262,026	380,026	382,772	(2,746)
Student Transportation	-	-	332,622	(332,622)
Community Services Operations	888,255	894,549	870,997	23,552
Total Expenditures	7,439,651	8,300,161	9,655,393	(1,355,232)
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	(29,338)	122,587	71,240	(51,347)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	92,549	92,549	92,549	-
Operating transfers out	(63,211)	(77,027)	(77,908)	(881)
Total other financing sources and (uses)	29,338	15,522	14,641	(881)
NET CHANGE IN FUND BALANCE	-	138,109	85,881	(52,228)
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	$ -	$ 138,109	$ 85,881	$ (52,228)

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

CLARK COUNTY BOARD OF EDUCATION
Statement of Net Position - Proprietary Funds
June 30, 2025

	Enterprise Funds		
	School Food Services	Day Care Services	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 910,079	$ -	$ 910,079
Receivables	285,645	-	285,645
Inventories for consumption	40,052	-	40,052
Total current assets	1,235,776	-	1,235,776
Noncurrent Assets			
General equipment	1,274,689	-	1,274,689
Accumulated depreciation	(735,390)	-	(735,390)
Total noncurrent assets	539,299	-	539,299
Total Assets	1,775,075	-	1,775,075
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	250,485	79,664	330,149
Deferred outflows related to OPEB	299,422	95,227	394,649
Total deferred outflows of resources	549,907	174,891	724,798
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2,324,982	174,891	2,499,873
LIABILITIES			
Current Liabilities:			
Accounts payable	37,829	880	38,709
Compensated absences	19,059	6,019	25,078
Total current liabilities	56,888	6,899	63,787
Noncurrent liabilities:			
Compensated absences	139,768	44,137	183,905
Net pension liability	845,312	268,840	1,114,152
Net OPEB liability	321,019	102,096	423,115
Total noncurrent liabilities	1,306,099	415,073	1,721,172
Total liabilities	1,362,987	421,972	1,784,959
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	163,924	52,133	216,057
Deferred inflows related to OPEB	516,513	164,270	680,783
Total deferred inflows of resources	680,437	216,403	896,840
TOTAL LIABILITIES AND OUTFLOWS OF RESOURCES	2,043,424	638,375	2,681,799
NET POSITION			
Net Investment in capital assets	539,299	-	539,299
Restricted	(257,741)	(463,484)	(721,225)
Total net position	$ 281,558	$ (463,484)	$ (181,926)

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

CLARK COUNTY BOARD OF EDUCATION
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2025

	Enterprise Funds		
	School Food Services	Day Care Services	Total
OPERATING REVENUES			
Lunchroom sales	$ 308,707	$ -	$ 308,707
Fees	-	729,715	729,715
Total operating revenues	308,707	729,715	1,038,422
OPERATING EXPENSES			
Salaries & benefits	1,978,077	1,256,344	3,234,421
Purchased professional services	37,541	2,393	39,934
Purchased property services	67,012	4,272	71,284
Other purchased services	17,680	155	17,835
Supplies	3,023,072	129,217	3,152,289
Property	224,791	-	224,791
Dues, Fees, and miscellaneous	10,863	22,720	33,583
Depreciation	51,998	-	51,998
Total operating expenses	5,411,034	1,415,101	6,826,135
Operating income (loss)	(5,102,327)	(685,386)	(5,787,713)
NONOPERATING REVENUES (EXPENSES)			
Federal grants	4,675,377	-	4,675,377
Federal donated commodities	351,126	-	351,126
State grants	30,244	-	30,244
State on-behalf payments	745,971	-	745,971
State on-behalf payments	(745,971)	-	(745,971)
Other local revenues	1,216	1,269	2,485
Earnings from investments	83,306	-	83,306
Total nonoperating revenues (expenses)	5,141,269	1,269	5,142,538
Income (loss) before operating transfers	38,942	(684,117)	(645,175)
Operating transfer in	-	384,493	384,493
Operating transfer out	(360,181)	-	(360,181)
Change in net position	(321,239)	(299,624)	(620,863)
NET POSITION - BEGINNING, as previously reported	729,859	(123,735)	606,124
Change in accounting principle (GASB 101)	(127,062)	(40,125)	(167,187)
NET POSITION - BEGINNING, as restated	602,797	(163,860)	438,937
NET POSITION - ENDING	$ 281,558	$ (463,484)	$ (181,926)

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

CLARK COUNTY BOARD OF EDUCATION
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025

	Enterprise Funds		
	School Food Services	Day Care Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 308,707	$ 729,715	$ 1,038,422
Payments to suppliers	(3,216,616)	(186,916)	(3,403,532)
Payments to employees	(2,724,048)	(1,256,344)	(3,980,392)
Net cash provided (used) by operating activities	(5,631,957)	(713,545)	(6,345,502)
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES			
Operating grants and contributions	5,246,007	329,052	5,575,059
Net cash provided (used) by noncapital financing activities	5,246,007	329,052	5,575,059
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchase of capital assets	(245,205)	-	(245,205)
Operating transfer to general fund	(360,181)	384,493	24,312
Net cash provided (used) by capital financing activities	(605,386)	384,493	(220,893)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	83,306	-	83,306
Net cash provided (used) by investing activities	83,306	-	83,306
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(908,030)	-	(908,030)
CASH AND CASH EQUIVALENTS - BEGINNING	1,818,109	-	1,818,109
CASH AND CASH EQUIVALENTS - ENDING	$ 910,079	$ -	$ 910,079
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (5,102,327)	$ (685,386)	$ (5,787,713)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	51,998	-	51,998
Changes in assets and liabilities:			
Receivables	(193,076)	-	(193,076)
Inventory	700	-	700
Account Payables	5,593	(28,159)	(22,566)
Federal donated commodities	351,126	-	351,126
On-behalf payments expenses	(745,971)	-	(745,971)
Net cash provided (used) by operating activities	$ (5,631,957)	$ (713,545)	$ (6,345,502)
Schedule of non-cash transactions			
Federal donated commodities	$ 351,126	-	$ 351,126
State on-behalf payments	$ 745,971	$ -	$ 745,971

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

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements presented for the Clark County Board of Education are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB). The District's significant accounting and reporting policies are described below.

The Financial Reporting Entity

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

As required by GAAP, these financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable. This component unit is reported on a blended basis. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from this unit is combined with data of the primary government. Separate financial statements are not issued for this component unit.

The District's reporting entity includes the following blended component unit:

The Clark County Board of Education Finance Corporation was formed in accordance with the provisions of KRS Sections 162.120 through 162.300 and Section 162.385, and KRS Chapter 273 and KRS 58.180, as a non-profit, non-stock corporation for the purpose of financing necessary school building facilities on behalf of the Board of Education of the Clark County School District. Under the provisions of existing Kentucky laws, the Corporation is permitted to act as an agency and instrumentality of the District for financing purposes. The Board serves as the Governing Board of the Corporation and all accounting and administrative functions are performed by the District, which records all activity of the Corporation as a blended component unit.

Basis of presentation and accounting

Government-wide

The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the District are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered.

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenue for the business-type activities and for each function of the District's governmental activities. Program revenues includes (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including property taxes and general state aid, are presented as general revenues.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the District's assets and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability incurred.

Certain eliminations have been made a prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

Fund Financial Statements

The fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific district functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three categories: governmental, proprietary, and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included in the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increase (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally collected 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the District are taxes and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured.

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Governmental Funds:

General Fund – accounts for the general operating costs for the District and provides supports services to other funds. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use.

Special Revenue Fund - accounts for proceeds of specific revenue sources (other than expendable trust funds or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant 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.

Construction Fund -The Construction Fund accounts for and reports proceeds from sales of bonds and other revenues to be used for authorized construction.

Debt Service 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 costs; and for the payment of interest on general obligation notes payable, as required by Kentucky Law.

Non-Major Governmental Funds

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

Student Activity Fund –The Student Activity Fund is a special revenue fund type and is used to account for funds student activity that are legally restricted to expenditures for specified purposes imposed by external parties, enabling legislation, or by board action.

Capital Outlay Fund – The Support Education Excellence in Kentucky (SEEK) Fund receives those funds designated by the state as capital outlay funds and is generally restricted for use in financing projects identified in the district's facility plan (including payment of bonded lease obligations).

Facility Support Program (FSPK) fund - The Facility Support Program of Kentucky (FSPK) accounts for and reports 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.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expense and Changes in Pet position, and a Statement of Cash Flows. The District does not have an internal service fund.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the lability is incurred.

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Financial Statements (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Enterprise Funds

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

Day Care Services Fund – is used to account for and report the activities of the day care programs where a fee is charged for participating.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Net Position. Fiduciary Funds are used to account for assets held by the District in a trustee capacity for the benefit of others and cannot be used to support district activities. Fiduciary Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting. The District currently has no fiduciary funds.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicate the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period (60 days). Expenditures are recorded when the liability is incurred, except for unmatured interest on long-term debt which is recognized when due, other post-employment benefits, claims and judgments and compensated absences, which are recognized when expended. Revenues susceptible to accrual are interest, state and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met.

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary information

The District's budgetary process accounts for transactions on a modified accrual basis of accounting which is consistent with the accounting principles generally accepted in the United States of America. State law requires the district to formally and publicly examine anticipated receipts and expenditures for the next fiscal year by January 31 (draft budget), adopt a tentative working budget on or before May 30 for the next fiscal year and a final working budget must be submitted to the Kentucky Department of Education (KDE) by September 30 for the current year with a recommended reserve of at least two percent of total budgeted expenditures in the general and school food service funds. The Special Revenue Fund and the Construction fund are multi-year funds. A fund is multi-year when budgeted amounts in that fund may be received and expended over a period extending beyond one fiscal year. A budget projection is created one time for a project (grant or a construction project) which is in the year of its inception. After a budget completion is processed on a project, that budget remains with the project over the lifetime of the project.

Expenditure budgets are appropriated at the major function level for each fund. Appropriations may not legally be over-expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Assets, deferred outflows, liabilities, deferred inflows, and net position/fund balance

Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments with a maturity of three months or less from the date of the acquisition. For the purposes of the statement of cash flows, the District defines cash and cash equivalents as amounts in demand deposits as well as short-term, highly liquid investments with original maturities of three months or less.

Deposits with Financial Institutions and Investments

The District's policy on investments primarily follow state statutes and regulations which authorize the District to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation.

Prepaid items

Prepaid items are charged to expenditure/expense at the time the items are used (consumption method).

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory consists of food purchased by the District and commodities granted by the United States Department of Agriculture (USDA). The commodities are recognized as revenues and expenditures by the Food Service Fund when consumed. Any material commodities on hand at year end are recorded as inventory. All purchased inventory items are valued at the lower of cost or market (first-in, first-out) using the consumption method and commodities assigned values are based on information provided by the USDA.

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 acquisition values as of the date received. The District maintains a capitalization threshold of $5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are expensed.

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

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

Long-term obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. 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 applicable bond premium or discount.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separated financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District reports three types of deferred outflows-contributions to the CERS pension system after the measurement period, contributions to the TRS medical insurance fund after the measurement period and the unrecognized portion of a deferred loss on the refinancing of long-term debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until the appropriate period. The District reports two types of deferred inflows – those related to the net difference projected and actual earnings on pension plan investments, and those related to the net difference projected and actual earnings on OPEB plan investments.

Pension obligations

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CERS and TRS and additions to/deductions from fiduciary net position on the same basis as they are reported by these multiple-employer cost-sharing OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized by the pension systems when due and payable in accordance with the benefit terms. Investments are reported at fair value by the pension systems. Both systems publish separate financial statements as described in the Note for Postemployment Benefits Other Than Pensions.

Net position flow assumptions

Net position is classified into the following categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of all other net position that is not included in the other categories previously mentioned.

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position flow assumptions

When both restricted and unrestricted resources are available for use in a specific program or for specific purpose, the District's normal policy is to use restricted resources first to finance its activities.

Fund balance flow assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). When fund balance resources are available for a specific purpose in multiple classifications, the District uses the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Fund balance policies

Governmental fund equity is classified as fund balance. GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on purpose for which resources can be used:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid items as being non-spendable as they are not expected to be converted to cash.

Restricted: This classification includes amounts for which constraints have been placed on the use of resources which are either.

1. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. Imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the District's Board of Directors, which is the District's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned: This classification includes spendable amounts for a specific purpose. The intent of an assigned fund balance is expressed by either the District's Board, or a subordinate high-level body, such as a finance committee, or an official, such as the superintendent, that has the authority to assign amounts to be used for assigned purposes.

Unassigned: This classification is the residual fund balance for the General Fund. It represents fund balance that has not been assigned, committed, or restricted.

Revenue and expenditures/expenses

Program revenues – amounts reported as program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not property included amount program revenues are reported instead as general revenues.

Note I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and expenditures/expenses (Continued)

Property taxes – Property taxes are levied each August 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. Liens are effective when the tax bills become delinquent. The collection period for these assessments was October 15, 2024 through April 15, 2025.

Grants – unreimbursed expenditures due from grantor agencies are reflected in the government-wide financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as restricted on the Balance Sheet and unearned revenue on the Statement of Net Position.

Compensated Absences

The Clark County Board of Education recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences– *annual* and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Annual Leave

The criteria for determining annual leave components is derived from negotiated agreements, board policies and State laws. Certain administrative employees who contribute to the Kentucky Teacher's Retirement System and who are employed for 240 or more days annually shall be granted annual leave each year. Compensation for accrued annual leave shall be made at the time or retirement at a rate not to exceed the daily salary rate calculated from the employee's last annual compensation. Classified personnel who are employed for 260 days shall be eligible for ten (10) days of vacation with pay each school year. Unused vacation days shall accumulate up to thirty (30) days.

Sick Leave

Full-time certified and classified employees shall be entitled to sick leave with pay each school year based on days scheduled to work as follows:

Days Scheduled to Work Annually	Sick Leave Days Granted
Minimum number of days required by law - 199	11
200-229	12
230-260	13

Persons employed for less than a full year contract shall receive a prorata part of the authorized sick leave days calculated to the nearest one-half (1/2) day. Sick leave days not taken during the school year in which they were granted shall accumulate without limitation to the credit of the certified employee to whom they were granted. The Board may compensate certified and classified employees only upon initial retirement, or their estate, for each unused sick day at a rate not to exceed 30% of the daily salary. This calculation is based on the employee's last annual salary.

Note II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABLITLY

Violations of legal or contractual provisions

This District had no violations of legal or contractual provision in the fiscal year.

Cash deposits and cash equivalents

The Kentucky Revised Statues authorize the District to investment money subject to its control in obligations of the United States; bonds or certificates of indebtedness of Kentucky and its agencies and instrumentalities; savings and loan associations insured by an agency of the United States up to the amount insured; and national or state banks chartered in Kentucky and insured by an agency of the United States providing such banks pledge as security obligations, as permitted by KRS 41.240(4), having a current quoted market value at least equal to uninsured deposits.

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

At year-end, the District's bank balances were collateralized by securities held by the pledging bank's trust department in the District's name and FDIC insurance. At year end, the carrying amount of the District's cash and cash equivalents was $9,820,315. The bank balance for the same time was $11,953,864.

Receivables

Amounts are aggregated into a single account receivable line in the Statement of Net Position and Balance Sheet. Below is the detail of receivable for the governmental funds:

Receivables	General Fund	Special Revenue Fund	District Activity Fund	Student Activity Fund	Debt Service Fund	Food Service Fund	Totals
Taxes	$ 190,484	$ -	$ -	$ -	$ -	$ -	$ 190,484
Accounts	62,400	106,185	7,289	4,026	-	-	179,900
Intergovernmental-state	-	95,948	-	-	-	-	95,948
Intergovernmental-federal	-	833,445	-	-	2,353,521	285,645	3,472,611
Total Receivables	$ 252,884	$ 1,035,578	$ 7,289	$ 4,026	$ 2,353,521	$ 285,645	$ 3,938,943

Note II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABLITLY

Capital assets

The changes in capital assets for the year ended June 30, 2025, are as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Non-depreciable capital assets				
Land	$ 4,123,823	$ -	$ -	$ 4,123,823
Construction in progress	35,466,959	10,010,197	17,921,649	27,555,507
Total - Non-depreciable capital assets	39,590,782	10,010,197	17,921,649	31,679,330
Depreciable capital assets				
Land improvements	1,714,802	111,265	-	1,826,067
Buildings and Building Improvements	155,594,637	18,220,656	-	173,815,293
Technology equipment	216,634	16,631	-	233,265
Vehicles	6,339,478	867,296	96,896	7,109,878
General equipment	4,120,424	948,410	280,899	4,787,935
Intangible assets	1,099,480	320,206	16,209	1,403,477
Total - Depreciable capital assets	169,085,455	20,484,464	394,004	189,175,915
Less: Accumulated depreciation				
Land improvements	386,988	82,161	-	469,149
Buildings and building Improvements	38,013,321	3,285,067	-	41,298,388
Technology equipment	121,903	12,580	-	134,483
Vehicles	4,107,606	383,889	17,764	4,473,731
General equipment	1,386,834	307,585	21,904	1,672,515
Intangible assets	308,349	41,719	16,209	333,859
Total - Accumulated depreciation	44,325,001	4,113,001	55,877	48,382,125
Governmental Activities Capital Assets - net	$ 164,351,236	$ 26,381,660	$ 18,259,776	$ 172,473,120
Business-Type Activities:				
General equipment	$ 1,094,657	$ 245,205	$ 65,173	$ 1,274,689
Total - Non-depreciable capital assets	1,094,657	245,205	65,173	1,274,689
Less: Accumulated depreciation				
General equipment	748,565	51,998	65,173	735,390
Total - Accumulated depreciation	748,565	51,998	65,173	735,390
Business-Type Activities Capital Assets - net	$ 346,092	$ 193,207	$ -	$ 539,299

*Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as "unallocated".

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Pension obligations

The District participates in both the Teachers' Retirement System of the State of Kentucky (TRS) and the Kentucky Public Pensions Authority (KPPA) - County Employees Retirement System (CERS) for non-hazardous duties based on each position's college degree requirement. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification. The Teachers Retirement System covers positions requiring teaching certification or otherwise requiring a college degree.

Teacher's Retirement System of the State of Kentucky (TRS)

Plan Description
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 cost-sharing multiple-employer defined benefit 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 of Kentucky. KRS 161.250 provides that the general administration and management of TRS, and the responsibility for its proper operation, is vested in a board of trustees. TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS covers positions requiring teaching certification or otherwise requiring a college degree as well as any person providing part-time or substitute teaching services that are the same or similar to those teaching services provided by full-time, certified teachers. Copies of the TRS Comprehensive Annual Financial Report and Actuarial Valuations may be obtained at: https://trs.ky.gov/administration/financial-reports-information/.

Pension Benefits
For members who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, members become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, members must either 1) attain age fifty-five (55), or 2) complete 27 years of Kentucky service.

Participants that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university members with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New members (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years. New members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefit.

Employees who retire July 1, 2004, or later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5 % to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the system has been amended to change the benefit structure for members hired on or after that date. For members who enter TRS on or after January 1, 2022, TRS created a hybrid retirement plan with a foundational benefit which pays a lifetime retirement annuity.

Final average salary is defined as the member's five (5) highest annual salaries for those with less than 27 years of service. Employees at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. TRS also provides disability benefits for vested employees at the rate of sixty (60) percent of the final average salary.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Teacher's Retirement System of the State of Kentucky (TRS) (Continued)

Pension Benefits (Continued)
When calculating the final average salary for employees entering the service on or after January 1, 2022, increases in compensation in the last five years prior to retirement are limited to the highest percentage increase generally available to the district's employees.

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

For members hired on or after January 1, 2022, new members must be age 57 and have 10 years of service or age 65 and 5 years of service. The annual foundational benefit for members is equal to service times a multiplier times final average salary. The multiplier for non-university members who are age 65 and over with 5-9.99 years of service is 1.90%. The multiplier for non-university members with 10-19.99 years of service who are age 57-60 is 1.70%, age 61 - 1.74%, age 62 - 1.78%, age 63 - 1.82%, age 64 - 1.86% and age 65 and over 1.90%. The multiplier for non-university members with 20-29.99 years of service who are age 57-60 is 1.95%, age 61 - 1.99%, age 62 – 2.03%, age 63 – 2.07%, age 64 – 2.11% and age 65 and over 2.15%. The multiplier for non-university members with 30 or more years of service who are age 57-60 is 2.20%, age 61 – 2.24%, age 62 – 2.28%, age 63 – 2.32%, age 64 – 2.36% and age 65 and over 2.40%. The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 30 years of service. The annual supplemental benefit is equal to the account balance which includes member and employer contributions and interest credited annually on June 30. Options include annuitizing the balance or receiving the balance as a lump sum either at the time of retirement or at a later date.

Contributions
Contribution rates are established by Kentucky Revised Statutes ("KRS"). Non-university employees other than TRS 4 employees are required to contribute 12.855% of salary and TRS 4 members contribute 14.75% of salary to the retirement system and 2% of each is for the supplemental plan. The Commonwealth, as a non-employer contributing entity, pays matching contributions at the rate of 16.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008, and 16.105% for those hired after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries. The required matching contribution for those employees classified as critical shortage is 28.79%. 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.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Kentucky Public Pensions Authority (KPPA) - County Employees Retirement System (CERS)

Plan Description

Under the provisions of KRS 61.645, the Board of Trustees of the Kentucky Public Pensions Authority (KPPA) administers CERS and has the authority to establish and amend benefit provisions. CERS was created by the Kentucky General Assembly pursuant to the provision of KRS 78.520. CERS is a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky General Assembly. KRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. CERS covers employees whose positions do not require a degree, substantially all full-time classified employees and these positions are considered non-hazardous. Copies of the TRS Comprehensive Annual Financial Report and Actuarial Valuations may be obtained at https://kyret.ky.gov/Employers/GASB/Pages/default.aspx.

Pension Benefits

CERS provides retirement, health insurance, death and disability benefits to CERS 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 old
		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 old
		Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years' service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years' service and 65 years old
		Or age 57+ and sum of service years' equal 87
	Reduced retirement	Not available

Contributions

CERS pension benefits are grouped into three tiers, based on the hire date:

Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% (non-hazardous) or 8% (hazardous) of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 plan members who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 6% (non-hazardous) or 9% (hazardous) of their annual credit compensation, while 1% of these contributions are deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(k) in the Pension Fund (See Kentucky Administrative Regulation 105 KAR 1:420 Employer's administrative duties). These members are classified in the Tier 2 structure of benefits.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Kentucky Public Pensions Authority (KPPA) - County Employees Retirement System (CERS) (Continued)

Contributions (Continued)
Tier 2 plan members (Continued)
Interest is paid each June 30th on members' accounts as a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% contribution to the 401(h) account is non-refundable and is forfeited.

Tier 3 plan members, who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5% (non-hazardous) or 8% (hazardous) of their annual creditable compensation, and an additional 1% to the health insurance fund (401(h) account) which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the KPPA board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (non-hazardous) or 7.5% (hazardous) employer pay credit. Tier 3 accounts earn a base of 4% interest annually on both the member contributions and the employer pay credit balance. Interest is credited to a member's account each June 30, based on the account balance from the preceding June 30. New members do not see interest credited in their first year since there is no prior year balance. The base interest amount is 4%. Upside sharing interest is the additional interest credit that may be applied to a Tier 3 account. The rate for the year ended June 30, 2025, was 8.42%. The following conditions must be met before Upside Sharing Interest is credited:

- The system's Geometric Average Net Investment Return (GANIR) for the last five (5) years must exceed 4%
- The member must have been active and participating in the fiscal year
  If the GANIR exceeds 4%, the member's account will be credited with 75% of the amount of return over 4%. It is applied to the account balance as of June 30 of the prior fiscal year.

The employer pay credit represents a portion of the employer contribution. CERS contribution rates for non-hazardous employees for pension 19.71%, insurance 0.00% for a combined total of 19.71%.

Funding for CERS is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending June 30, 2025, employers were required to contribute 19.71% of the member's salary. During the year ending June 30, 2025, the District contributed $2,146,589 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Other Retirement Plans
The District also offers employees the option to participate in defined contribution plans under Sections 403(B) and 401(K) of the Internal Revenue Code. All regular full-time and part-time employees are eligible to participate and may contribute up to the maximum allowable by law. These plans are administered by an independent third-party administrator. The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until their termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, allows entities with little or no administrative involvement and who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statement statements.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Other Retirement Plans (Continued)
The District, therefore, does not report these assets and liabilities on its financial statements. Employee contributions made to the plan during the year total $364,513. The District does not contribute to these plans.

Pension liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
On June 30, 2025, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District.

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

District's proportionate share of the net CERS pension liability	$ 19,213,786
Commonwealth's proportionate share of the net TRS pension liability associated with the District	112,545,244
Total	$ 131,759,030

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

The District's portion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. On June 30, 2024, the District's proportion was .321278%.

For the year ended June 30, 2025, the District recognized CERS pension expense of $2,146,589 which is a $1,766,285 increase in governmental funds and $380,304 increase in proprietary funds and 1,302,370 related to TRS as being paid. The adjusted pension expense recognized on the statement of activities, based on actuarial valuation for the year ended June 30, 2025, was ($74,371) (a decrease of $193,803 in governmental funds and an increase of $119,432 in the business type activity funds). The District also recognized revenue of $7,315,076 for TRS support provided by the Commonwealth.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 929,982	$ -
Changes of assumptions	-	868,086
Net difference between projected and actual earnings on pension plan	1,319,555	2,554,898
Changes in proportion and difference between District contributions and proportionate share of contributions	1,297,359	302,971
District contributions subsequent to the measurement date	2,146,589	-
Totals	$ 5,693,485	$ 3,725,955

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

The amount reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date is $2,146,589 and will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	Amount
2025	$ (285,127)
2026	856,257
2027	(474,880)
2028	(275,309)
2029	-
Thereafter	-

Actuarial assumptions

The actuarially determined contributions effective for fiscal year ending 2024 is based on the required contribution calculated with the June 30, 2022 actuarial valuation. Based on the June 30, 2024 actuarial valuation report, the actuarial methods and assumptions, applied to all periods included in the measurement:

	CERS	KTRS
Inflation	2.30%	2.50%
Projected Salary Increases	3.30% to 10.30%, varies by service	3.00% to 7.50%
Investment Rate of Return, net of investment expense and inflation	6.50%	7.10%

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

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

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

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
Fixed Income		
Core Bonds	10.00%	2.85%
Specialty Credit/High Yield	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected		
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
Expected Real Return	100.00%	4.69%
Long-Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		7.19%

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

Discount Rate

For TRS, the discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. We assumed that Plan member contributions will be made at the current contribution rates and that Employer contributions will be made at the Actuarially Determined Contribution rates for all fiscal years in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For CERS, the discount rate used to measure the total pension liability was 6.50% for fiscal year ending June 30, 2024. The single discount rate is based on the expected rate of return on pension plan investments for each plan. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the non-hazardous and hazardous pension plans' fiduciary net position and future contributions were separately projected and were each sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability of each plan.

The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. The future contributions are projected assuming that each participating employer contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 Legislative session) which limits the increases to the employer contribution rates to 12% in any given future year. Therefore, for the purposes of this calculation, the provisions of House Bill 362 do not impact the projected contribution rates.

The following table presents the net pension liability of the District, calculated using the discount rates selected by each pension system, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
TRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	$ -	$ -	$ -
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	$ 24,769,709	$ 19,213,786	$ 14,603,833

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Other postemployment benefit (OPEB) obligations

The District's employees are provided with two OPEB plans, based on each position's college degree requirement. TRS covers positions requiring teaching certification or otherwise requiring a college degree. The CERS covers employees whose position does not require a college degree or teaching certification. Retired district employees receive some health care benefit depending on their length of service. In accordance with Kentucky Revised Statues, these benefits are provided and advance funded on an actuarially determined basis through the TRS and CERS plans. The TRS publicly available financial report may be obtained from https://trs.ky.gov/administration/financial-reports-information/. CERS issues a publicly available financial report that can be obtained at https://kyret.ky.gov/Employers/GASB/Pages/default.aspx.

TRS – OPEB

The Commonwealth of Kentucky (State) reports a liability, deferred outflows of resources and deferred inflows of resources, and expenses as a result of the statutory requirement to contribute to the TRS Medical Insurance (Health Trust) and Life Insurance Plans (Life Trust). The following information is about the TRS plans:

TRS Medical Insurance Fund (Health Trust)

Plan description

In addition to the retirement annuity plan described previously, KRS 161.675 requires TRS to provide access to post-employment healthcare benefits for eligible employees and dependents. The TRS medical plan (Health Trust) is a cost-sharing multiple-employer defined benefit plan. The Health Trust is funded by employer and member contributions. Changes to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance (KDEI), and the General Assembly.

The TRS medical plan is funded by employee contributions to an account established pursuant to 26 U.S.C. sec. 401(h). Additional funding is derived from the Kentucky Teacher's' Retirement System insurance trust fund that went into effect on July 1, 2010. The insurance trust fund provides a trust separate from the account established pursuant to 26 U.S.C. sec. 401(h). The insurance trust fund includes employer and retired member contribution required under KRS 161.550 and KRS 161.675(4)(b)

Benefits Provided

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

Contributions

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

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

TRS Medical Insurance Fund (Health Trust) (Continued)

Contributions (Continued)
The CERS Non-hazardous Insurance Fund is a cost-sharing multiple-employer defined benefit Other Postemployment Benefits ("OPEB") plan for members that cover all regular full-time members employed in non-hazardous duty positions of any State department, board, agency, county, city, school board, and any additional eligible local agencies electing to participate. The plan provides for health insurance benefits to plan members. OPEB may be extended to beneficiaries of plan members under certain circumstances.

TRS Postemployment Life Insurance Benefits (Life Trust)

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

Benefits Provided
The TRS Life Insurance Plan provides a life insurance benefit of $5,000 payable for members who retire based on service or disability. Active members may receive a $2,000 lump sum payable. The benefit is payable 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 payroll of members is contributed by the state.

CERS – OPEB

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

Benefits provided
The percentage of premium subsidies for CERS ranges from 0% for less than 4 years of service to 100% for 20 years or more service. For members who initiated participation in CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the KPPA health plans.

Members who began participating with KPPA on or after September 1, 2008 must have 180 months of service upon retirement to participate in the KPPA health plans. Non-hazardous retirees receive $10 toward the monthly premium for each full year of service.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

Contributions
For the 2024 measurement period, CERS did not allocate any of the 19.71% actuarially required contribution rate paid by employers to be used for funding of the healthcare benefit. However, 1% of the tier 2 and 3 employee contributions of 6% are allocated to the health insurance plan.

On June 30, 2025, the amount recognized by the District as its proportionate share of the net OPEB liability, the related Commonwealth support, and the total portion of the net OPEB liability with the District were as follows:

District's proportionate share of the net TRS OPEB MIF liability	$ 7,853,000
District's proportionate share of the net CERS OPEB MIF liability	(556,294)
Total district proportionate share	$ 7,296,706
Commonwealth's proportionate share of the net TRS OPEB - MIF liability associated with the District	6,996,000
Total proportionate share	$ 14,292,706

For the year ended June 30, 2025, the District did not recognize CERS OPEB expense. The net OPEB liability for each plan was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. For the year ended June 30, 2025, based on actuarial valuation, the district recognized on the statement of activities adjusted total net OPEB expense of $(2,290,231)(a decrease of $2,261,173 in governmental funds and a decrease of $29,058 in the business type activity funds).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 308,625	$ 6,734,936
Changes of assumptions	2,504,069	392,524
Net difference between project and actual earnings on OPEB plan investments	488,997	1,248,647
Changes in proportion and difference between District contributions and proportionate share of contributions	2,621,487	3,364,137
District contributions subsequent to the measurement date	882,617	-
Totals	$ 6,805,795	$ 11,740,244

Of the total amount reported as deferred outflows of resources related to OPEB, $882,617 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the Year Ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

Contributions (Continued)

Fiscal Year Ending June 30:	TRS	CERS
2025	$ (548,000)	(1,649,862)
2026	(75,000)	(1,270,587)
2027	(189,000)	(1,163,407)
2028	(461,000)	17,791
2029	(416,000)	-
Thereafter	(62)	-

Actuarial assumptions for TRS are as follows:

Inflation	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Salary increases, including wage inflation	3.00%-7.50%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including inflation	
Health Trust	7.10%
Life Trust	7.10%
Single Equivalent Interest Rate, Net of OPEB plan investment Expense, including price Inflation	
Heath Trust	7.10%
Life Trust	7.10%
Health Trust Cost Trends	
Medical Trend	6.50% for FYE 2024 decreasing to an ultimate rate of 4.50% by FYE 2031
Medicare Part B Premiums	5.92% for FYE 2024 with an ultimate rate of 4.50% by FYE 2035

Actuarial assumptions for CERS are as follows:

Inflation	2.30%
Payroll growth	2.00%
Salary increases, including	3.30% to 10.30%, varies by service
Investment Return	6.25%

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

For TRS, Mortality rates were based on the Pub2010 (Teachers Amount-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, deferred vested retirees, and active members. For CERS, mortality rates were based on system-specific mortality table based on mortality experience from 2013-2018 projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

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

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

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

	Health Insurance Trust	
Asset Class	Target Allocation	Real Rate of Return
Large Cap U.S. Equity	35.40%	5.00%
Small Cap U.S. Equity	2.60%	5.50%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	9.00%	1.90%
High Yield Bonds	8.00%	3.80%
Other Additional Categories	9.00%	3.70%
Real Estate	6.50%	3.20%
Private Equity	8.50%	8.00%
Cash	1.00%	1.60%
Total	100.0%	

	Life Insurance Trust	
Asset Class	Target Allocation	Real Rate of Return
U.S. Equity	40.00%	5.20%
Developed International Equity	15.00%	5.50%
Emerging Markets Equity	5.00%	6.10%
Fixed Income	21.00%	1.90%
Other Additional Categories	5.00%	4.00%
Real Estate	7.00%	3.20%
Private Equity	5.00%	8.00%
Cash	2.00%	1.60%
Total	100.00%	

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

Discount Rate

The discount rate used to measure the TOL as of the Measurement Date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30,2022.

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity		
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
Fixed Income		
Core Fixed Income	10.00%	2.85%
Specialty Credit	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected		
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
Expected Real Return	100.00%	4.69%
Long-Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		7.19%

For TRS, the discount rate used to measure the TOL at June 30, 2023 was 7.10% for the Health Trust and 7.10% for the Life Trust. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The pre-65 retiree health care costs for members retired on or after July 1, 2010, were assumed to be paid by either the State or the retirees themselves.
- As administrative expenses, other than the administrative fee of $8.00 PMPM paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.
- Cash flows occur mid-year.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

Discount Rate (Continued)

- Future contributions to the Health Trust were based upon the contribution rates defined in statute and projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the Health Trust achieves a sufficient prefunded status, as determined by the retirement system's actuary, the following Health Trust statutory contributions are to be decreased, suspended, or eliminated:
    - Employee contributions
    - School District/University Contributions
    - State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

  To reflect these adjustments, open group projections were used and assumed an equal, pro rata reduction to the current statutory amounts in the years if/when the Health Trust is projected to achieve a Funded Ratio of 100% or more. Here, the current statutory amounts are adjusted to achieve total contributions equal to the Actuarially Determined Contribution (ADC), as determined by the prior year's valuation and in accordance with the Health Trust's funding policy. As the specific methodology to be used for the adjustments has yet to be determined, there may be differences between the projected results and future experience. This may also include any changes to retiree contributions for KEHP coverage pursuant to KRS 161.674(4)(b).
- In developing the adjustments to the statutory contributions in future years, the following was assumed:
    - Liabilities and cash flows are net of expected retiree contributions and any implicit subsidy attributable to coverage while participating in KEHP.
    - For the purposes of developing estimates for new entrants, active headcounts were assumed to remain flat for all future years.

  Based on these assumptions, the Health Trust's FNP was not projected to be depleted.

Life Trust Discount rate.

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

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

  Based on the assumptions, the Life Trust's FNP was not projected to be depleted.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

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

Long-term rate of return
The long-term expected rate of return on Health Trust and Life Trust investments was determined using a long-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.

Municipal bond rate
The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. The rate used, if necessary, for this purpose is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate for the month of June.

Periods of projected benefit payments

Projected future benefit payments for all current plan members were projected through 2123.

CERS
Single discount rates of 5.99% for the CERS non-hazardous system were used to measure the total OPEB liability as of June 30, 2024. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected separately and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the plan's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit study.

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

The proportionate share(s) of the Collective OPEB Amounts for employers that participate in these cost-sharing multiple employers plans were determined using the employers' actual contributions for the fiscal year ending June 30, 2024. This method is expected to be reflective of the employers' long-term contribution effort as well as be transparent to individual employers and their external auditors.

There were no non-employer contributions during fiscal year ending June 30, 2025.

Risk management

This district is exposed to various risks of loss related to forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accident, errors and omissions, fiduciary responsibility, illegal acts, etc. Each of these risk areas is covered through the purchase of commercial insurance. The District has purchased certain policies, which are retrospectively rated and includes Workers' Compensation insurance.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Long-Term Debt

Bonds

The Kentucky School Facility Construction Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting the school construction needs. Through a "participation agreement" with the District, the Commission agreed to pay annual debt service requirements on behalf of the District.

The bonds may be called prior to maturity at dates and redemption premiums specified in each issue. Assuming no issues are called prior to maturity, the minimum obligation of the District, including amounts to be paid by the Commission, on June 30, 2025 for debt services are as follows:

	Interest Rates	Maturity Date	Original Issue	(Restated) Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Governmental Activities:								
Bonds:								
Series 2010 QSCB	5.20%	6/1/2026	$ 41,535,000	$ 13,909,095	$ -	$ 1,973,279	$ 11,935,816	$ 1,973,279
Series 2011 QZAB	5.00%	12/1/2030	2,845,000	1,412,622	-	119,365	1,293,257	119,365
Series 2011 QSCB	5.00%	12/1/2030	15,450,000	7,765,824	-	640,348	7,125,476	640,348
Series 2015	3.00 - 3.50%	4/1/2035	8,380,000	6,470,000	-	240,000	6,230,000	250,000
Series 2017A	2.00 - 3.50%	5/1/2037	7,970,000	6,505,000	-	265,000	6,240,000	280,000
Series 2017B	2.00 - 3.13%	9/1/2037	19,255,000	18,140,000	-	255,000	17,885,000	260,000
Series 2019	3.00 - 3.75%	8/1/2039	3,000,000	2,970,000	-	10,000	2,960,000	10,000
Series 2020R	1.00%	11/1/2030	2,265,000	1,450,000	-	210,000	1,240,000	210,000
Series 2021	1.50 - 1.85%	8/1/2032	9,770,000	8,690,422	-	530,000	8,160,422	535,000
Series 2023	4.00 - 5.00%	2/23/2043	22,710,000	22,660,000	-	80,000	22,580,000	85,000
Series 2024	3.62%	6/1/2034	2,548,000	-	2,548,000	248,500	2,299,500	235,461
			$ 135,728,000	$ 89,972,963	$ 2,548,000	$ 4,571,492	$ 87,949,471	$ 4,598,453
Other Liabilities								
Leases				$ 1,092,951	$ -	$ 223,257	$ 869,694	$ 194,477
Compensated absences				4,168,650	1,042,162 *	-	5,210,812	625,297
Pension Liability				17,593,160	506,474	-	18,099,634	-
OPEB Liability				8,459,960	-	1,586,369	6,873,591	-
Total Other Liabilities				31,314,721	1,548,636	1,809,626	31,053,731	819,774
Total Governmental Activities Liabilities				$ 121,287,684	$ 4,096,636	$ 6,381,118	$ 119,003,202	$ 5,418,227
Business-Type Activities:								
Compensated absences				$ 167,186	$ 41,797 *	$ -	$ 208,983	$ 25,078
Pension Liability				942,400	171,752	-	1,114,152	-
OPEB Liability				453,168	-	30,053	423,115	-
Total Business-Type Activities Liabilities				$ 1,562,754	$ 213,549	$ 30,053	$ 1,746,250	$ 25,078

* The change in the compensated absences liability is presented as a net change.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Long-Term Debt (Continued)

Bonds (Continued)

The future principal and interest payments on long-term debt are as follows:

Fiscal Year	District		Kentucky School Facility		Total	
Ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 3,933,730	$ 4,992,955	$ 664,723	$ 270,920	$ 4,598,453	$ 5,263,875
2027	14,057,702	2,785,722	691,533	254,109	14,749,235	3,039,831
2028	4,185,892	2,697,881	719,204	236,339	4,905,096	2,934,220
2029	4,280,522	2,606,010	743,275	217,231	5,023,797	2,823,241
2030	4,374,667	2,511,595	773,147	197,314	5,147,814	2,708,909
2031	8,358,827	1,956,090	753,785	176,815	9,112,612	2,132,905
2032	3,379,019	1,393,977	613,107	156,118	3,992,126	1,550,095
2033	3,447,049	1,301,365	638,109	135,277	4,085,158	1,436,642
2034	3,143,921	1,213,731	670,836	112,821	3,814,757	1,326,552
2035	2,969,468	1,107,424	705,532	88,709	3,675,000	1,196,133
2036	2,988,485	1,006,020	531,515	63,274	3,520,000	1,069,294
2037	3,093,596	902,485	561,404	44,611	3,655,000	947,096
2038	3,199,340	795,068	195,660	24,898	3,395,000	819,966
2039	3,280,985	710,546	89,015	19,754	3,370,000	730,300
2040	3,412,424	580,006	92,576	16,194	3,505,000	596,200
2041	3,548,721	443,510	96,279	12,490	3,645,000	456,000
2042	3,694,316	301,560	105,684	8,640	3,800,000	310,200
2043	3,845,126	153,788	110,297	4,412	3,955,423	158,200
Totals	$ 79,193,790	$ 27,459,733	$ 8,755,681	$ 2,039,926	$ 87,949,471	$ 29,499,659

Financed purchases

The District finances several buses under financing agreements issued by the Kentucky Interlocal School Transportation Association (KISTA). The following table summarizes the KISTA agreements outstanding as of June 30, 2025:

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

Long-Term Debt (Continued)

Financed purchases (Continued)

Issue	Maturity Date	Interest Rates	Original Principal Amount	Principal Outstanding at June 30, 2024	Debt Issued	Debt Paid	Principal Outstanding at June 30, 2025	Due Within One Year
2014 KISTA Lease	6/1/2031	3.00 - 3.50%	$ 420,657	$ 199,352	$ -	$ 25,817	$ 173,535	$ 26,592
2015B KISTA Lease	3/1/2025	2.00 - 2.50%	286,055	26,357	-	26,357	-	-
2017 KISTA Lease	3/1/2027	2.55%	448,848	131,441	-	47,700	83,741	41,340
2018 KISTA Lease	9/1/2028	2.00 - 3.00%	362,430	143,568	-	37,826	105,742	39,035
2020 KISTA Lease	3/1/2030	2.00%	380,332	224,612	-	37,930	186,682	38,730
2021 KISTA Lease	3/1/2031	1.25 - 1.50%	204,910	139,419	-	20,259	119,160	20,524
2022 KISTA Lease	3/1/2032	3.00%	294,725	228,202	-	27,368	200,834	28,256
		Totals	$ 2,397,957	$ 1,092,951	$ -	$ 223,257	$ 869,694	$ 194,477

The following is a schedule by years of the future minimum payments under KISTA financed purchase agreements as of June 30, 2025:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	194,477	22,583	217,060
2027	192,063	17,615	209,678
2028	153,473	12,734	166,207
2029	115,288	8,760	124,048
2030	113,968	5,867	119,835
2031-2032	100,425	3,678	104,103
Totals	$ 869,694	$ 71,237	$ 940,931

Total minimum lease payments	$ 940,931
Less: amount representing interest	71,237
Present value of net minimum lease payments	$ 869,694

Interfund transfers

Interfund transfers are used to fund operations in the various accounts. The composition of interfund transfers as of June 30, 2025 is as follows:

	Transfers In From Other Funds	Transfers Out To Other Funds
General Fund	$ 1,891,728	$ 480,777
Special Revenue Fund	92,549	77,908
District Activity Fund	19,663	315
Student Activity Fund	40,501	56,113
Capital Outlay Fund	-	467,578
Building Fund	-	5,969,694
Construction Fund	293,867	293,867
Debt Service Fund	4,983,632	-
Food Service Fund	-	360,181
Day Care Fund	384,493	-
Total Transfers	$ 7,706,433	$ 7,706,433

Transfers were made between funds to cover operations, indirect costs, construction projects, and debt service payments.

Note III – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

On-Behalf payments

The Commonwealth of Kentucky makes payments on-behalf of the District for the employer's portion of health benefits, teacher's retirement, technology, and debt service.

Kentucky Teachers Retirement System	$ 7,986,346
Health, Life, Vision & Dental Insurance	8,213,482
Technology	76,056
Debt Service	1,370,760
Total On-Behalf	$ 17,646,644

New Accounting Pronouncements – Adopted

The GASB issued *Statement No. 101 – Compensated Absences* to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement required retroactive recognition of the value of all types of leave and related liabilities. Therefore, net position has been restated for FY 2024.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, changes to or within the financial reporting entity and changes in accounting principles resulted in adjustments to and restatements of beginning net position and net fund position. In addition, an immaterial error correction was also made. The restatements are as follows.

	Reporting Units Affected By Adjustments To and Restatements of Beginning Balance					
	Funds				Government-Wide	
	Debt Service Fund	Nonmajor Governmental	School Food Service Fund	Day Care Services Fund	Governmental Activities	Business-Type Activities
6/30/2024, as previously reported	$ -	$ 1,266,872	$ 729,859	$ (123,735)	$ 62,613,531	$ 606,124
Change from non-major to major fund	-	-	-	-	-	-
Change in accounting principle (GASB 101)	-	-	(127,062)	(40,125)	(2,033,780)	(167,187)
Error correction	-	(28,884)	-	-	-	-
6/30/2024, as adjusted or restated	$ -	$ 1,237,988	$ 602,797	$ (163,860)	$ 60,579,751	$ 438,937

Commitments and Contingencies

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

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

The district also had construction commitments for on-going projects at June 30, 2025.

Clark County School District
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of Net Pension Liability – TRS and CERS
For the Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)
Teacher's Retirement System of the State of Kentucky (TRS)										
District's proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of pension liability	112,545,244	124,435,836	119,724,404	96,024,700	103,640,598	99,343,272	92,535,820	189,692,739	209,072,870	165,560,053
Totals	$ 112,545,244	$ 124,435,836	$ 119,724,404	$ 96,024,700	$ 103,640,598	$ 99,343,272	$ 92,535,820	$ 189,692,739	$ 209,072,870	$ 165,560,053
District's covered-employee payroll	$ 29,426,645	$ 28,591,856	$ 24,118,048	$ 25,541,440	$ 24,625,369	$ 24,403,159	$ 23,300,998	$ 22,835,242	$ 22,717,608	$ 22,386,072
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Plan fiduciary net position as a percentage of the total pension liablity	60.36%	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.80%	35.22%	42.49%
County Employee Retirement System (CERS)										
District's proportion of the net pension liability	0.321278%	0.288873%	0.302430%	0.279768%	0.276432%	0.268199%	0.259351%	0.248790%	0.255670%	0.250200%
District's proportionate share of the net pension liability	$ 19,213,786	$ 18,535,560	$ 21,862,706	$ 17,837,404	$ 21,202,106	$ 18,862,555	$ 15,795,875	$ 14,509,120	$ 12,588,232	$ 10,757,386
State's proportionate share of the net pension liability	-	-	-	-	-	-	-	-	-	-
Totals	$ 19,213,786	$ 18,535,560	$ 21,862,706	$ 17,837,404	$ 21,202,106	$ 18,862,555	$ 15,795,875	$ 14,509,120	$ 12,588,232	$ 10,757,386
District's covered-employee payroll	$ 10,920,802	$ 10,207,989	$ 8,570,686	$ 6,844,837	$ 6,807,835	$ 6,503,279	$ 6,366,878	$ 5,890,324	$ 6,271,485	$ 6,064,648
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	175.94%	181.58%	255.09%	260.60%	311.44%	290.05%	248.09%	246.32%	200.72%	177.38%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	52.42%	57.33%	58.27%	50.45%	53.54%	53.30%	59.00%	59.97%

Note: Schedule is intended to show information for the last 10 fiscal years. Amounts presented for each fiscal year is determined as of June 30.

See the accompanying notes to the required supplementary information.

Clark County School District
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions TRS and CERS - Pension
For the Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Teacher's Retirement System of the State of Kentucky (TRS)										
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 29,426,645	$ 28,591,856	$ 24,118,048	$ 25,541,440	$ 24,625,369	$ 24,403,159	$ 23,300,998	$ 22,835,242	$ 22,717,608	$ 22,386,072
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
County Employee Retirement System (CERS)										
Contractually required contribution	$ 2,146,589	$ 2,387,098	$ 2,013,597	$ 1,815,009	$ 1,416,758	$ 1,429,310	$ 1,164,587	$ 930,809	$ 841,917	$ 726,374
Contributions in related to the contractually required contribution	2,146,589	2,387,098	2,013,597	1,815,009	1,416,758	1,429,310	1,164,587	930,809	841,917	726,374
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 10,920,802	$ 10,207,989	$ 8,570,686	$ 6,844,837	$ 6,807,835	$ 6,503,279	$ 6,366,878	$ 5,890,324	$ 6,271,485	$ 6,064,648
District's contributions as a percentage of its covered-employee payroll	19.66%	23.38%	23.49%	26.52%	20.81%	21.98%	18.29%	15.80%	13.42%	11.98%

Note: Schedule is intended to show information for the last 10 fiscal years. Amounts presented for each fiscal year is determined as of June 30.

See the accompanying notes to the required supplementary information.

Clark County School District
REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information – Pension
For the Year Ended June 30, 2025

TRS
Changes of benefit terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in Schedule D of the actuary report found at *https://trs.ky.gov/wp-content/uploads/2025/06/TRS-GASB-68-Report-2022-Actuary.pdf.*

Changes of assumptions

- In 2014, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.16% to 5.23%.
- In 2015, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.23% to 4.88%.
- In 2016 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2016 valuation, the Assumed Salary Scale, Price Inflation, and Wage Inflation were adjusted to reflect a decrease. In addition, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.88% to 4.20%.
- In 2017, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.20% to 4.49%.
- In 2018, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.49% to 7.50%.
- In the 2020 experience study, rates of withdrawal, retirement, disability, mortality, and rates of salary increases were adjusted to reflect actual experience more closely. The expectation of mortality was change to the Pub2010 Mortality Table (Teachers Benefit-Weighted) projected generationally with MP-2020 with various set forwards, set-backs, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives. The assumed long-term investment rate of return was changed from 7.50 percent to 7.10 percent and the price inflation assumption was lowered from 3.00 percent to 2.50 percent. In addition, the calculation of the SEIR results in an assumption change from 7.50% to 7.10%.

CERS
Changes of Benefit Terms

2023 None

2022 None

2021 None

2020 None

2019 None

2018 None

2017 None

2016 None

CERS (Continued)
Changes of Assumptions

2023 The health care trend rates, as well as the morbidity factors, were update to reflect future anticipated experience.

2022 None

2021 Pension and OPEB - the salary increase assumption changed from 3.30% - 10.30% to 3.30% - 11.55% OPEB - single discount rate changed from 5.68% to 5.34%

2020 Pension and OPEB - the salary increase assumption changed from 3.05% to 3.30% - 10.30% OPEB - single discount rate changed from 5.85% to 5.68%

2019 Pension and OPEB - the salary increases assumption was changed from 2.00% to 3.05% OPEB, the single discount rate changed from 5.84% to 5.85%

2018 Pension and OPEB - the assumed investment return was changed from 7.50% to 6.25%; the prince inflation assumption was changed from 3.25% to 2.40%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service; and the payroll growth assumption (applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%. OPEB - the single discount rate changed from 6.89 to 5.84%.

2017 None

2016 Pension -the assumed investment rate of return was decreased from 7.75% to 7.50%; the assumed rate of inflation was reduced from 3.50% to 3.25%; the assumed rate of wage inflation was reduced from 1.00% to 0.75%; payroll growth assumption was reduced from 4.50% to 4.00%; and the assumed rates of retirement, withdrawal, and disability were updated to more accurately reflect experience.

Life Insurance Plan Changes of Benefit Terms

2023 None

2022 Benefit change due to the benefit tier that was added for members joining the system after January 1, 2022.

2021 None

2020 None

2019 None

2018 None

Changes of Assumptions

2022 The municipal bond index rate increased from 2.19% to 3.37%.

2021 The municipal bond index rate decreased from 3.50% to 2.19%

2020 The municipal bond index rate decreased from 3.89% to 3.50%

2019 The municipal bond index rate increased from 3.56% to 3.89%

2018 None

Clark County School District
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of the Net OPEB Liability Medical & Life Insurance Plans - TRS – OPEB
For the Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
MEDICAL INSURANCE PLAN								
District's proportion of the collective OPEB liability	0.352321%	0.382331%	0.302377%	0.390739%	0.390000%	0.386273%	0.363301%	0.368681%
District's proportionate share of the collective net OPEB liability	$ 7,853,000	$ 9,312,000	$ 12,579,000	$ 8,384,000	$ 9,843,000	$ 11,305,000	$ 12,606,000	$ 13,146,000
State's proportionate share of the collective net OPEB liability associated with the District	6,996,000	7,849,000	4,132,000	3,171,000	3,586,000	4,172,000	5,045,000	4,948,000
Total	$ 14,849,000	$ 17,161,000	$ 16,711,000	$ 11,555,000	$ 13,429,000	$ 15,477,000	$ 17,651,000	$ 18,094,000
District's covered-employee payroll	$ 29,426,645	$ 28,591,856	$ 24,118,048	$ 25,541,440	$ 24,625,369	$ 24,403,159	$ 23,300,998	$ 22,835,242
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	26.69%	32.57%	52.16%	32.83%	39.97%	46.33%	54.10%	57.57%
Plan fiduciary net position as a percentage of the total OPEB	59.81%	52.97%	47.75%	51.74%	39.05%	32.58%	25.50%	21.20%
LIFE INSURANCE PLAN								
District's proportion of the collective OPEB liability	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
District's proportionate share of the collective net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the collective net OPEB liability associated with the District	160,000	194,000	206,000	91,000	238,000	212,000	186,000	14,400
Total	$ 160,000	$ 194,000	$ 206,000	$ 91,000	$ 238,000	$ 212,000	$ 186,000	$ 14,400
District's covered-employee payroll	$ 29,426,645	$ 28,591,856	$ 24,118,048	$ 25,541,440	$ 24,625,369	$ 24,403,159	$ 23,300,998	$ 22,835,242
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB	80.56%	76.91%	73.97%	89.15%	71.57%	73.40%	75.00%	80.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal year is determined as of June 30.

See the accompanying notes to the required supplementary information.

Clark County School District
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Contributions - TRS – OPEB
For the Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
MEDICAL INSURANCE PLAN								
Contractually required contribution	$ 882,617	$ 729,536	$ 722,995	$ 672,276	$ 693,191	$ 688,724	$ 672,607	$ 647,154
Contributions in relation to the contractually required contribution	882,617	729,536	722,995	672,276	693,191	688,724	672,607	647,154
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 29,426,645	$ 28,591,856	$ 24,118,048	$ 25,541,440	$ 24,625,369	$ 24,403,159	$ 23,300,998	$ 22,835,242
District's contributions as a percentage of it's covered-employee payroll	3.00%	2.55%	3.00%	2.63%	2.81%	2.82%	2.89%	2.83%
LIFE INSURANCE PLAN								
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 29,426,645	$ 28,591,856	$ 24,118,048	$ 25,541,440	$ 24,625,369	$ 24,403,159	$ 23,300,998	$ 22,835,242
District's contributions as a percentage of it's covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal year is determined as of June 30.

See the accompanying notes to the required supplementary information.

Clark County School District
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of District's Proportionate Share of the Net OPEB Liability – CERS
For the Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
HEALTH INSURANCE PLAN								
District's proportion of the collective OPEB liabili	0.321594%	0.288662%	0.302377%	0.279702%	0.276352%	0.268129%	0.259351%	0.247879%
District's proportionate share of the collective net OPEB liability	$ (556,294)	$ (398,872)	$ 5,967,451	$ 5,354,755	$ 6,673,060	$ 4,509,809	$ 4,604,725	$ 4,983,216
State's proportionate share of the collective net OPEB liability associated with the District	-	-	-	-	-	-	-	-
Total	$ (556,294)	$ (398,872)	$ 5,967,451	$ 5,354,755	$ 6,673,060	$ 4,509,809	$ 4,604,725	$ 4,983,216
District's covered-employee payroll	$ 10,920,802	$ 10,207,989	$ 8,570,686	$ 6,844,837	$ 6,807,835	$ 6,503,279	$ 6,366,878	$ 5,890,324
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	-5.09%	-3.91%	69.63%	78.23%	98.02%	69.35%	72.32%	84.60%
Plan fiduciary net position as a percentage of the total OPEB	104.89%	60.95%	62.91%	58.41%	51.67%	60.44%	57.62%	52.39%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal year is determined as of June 30.

See the accompanying notes to the required supplementary information.

Clark County School District
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Contributions OPEB Liability – CERS
For the Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
HEALTH INSURANCE PLAN								
Contractually required contribution	$ -	$ -	$ -	$ 495,548	$ 349,418	$ 352,514	$ 377,573	$ 302,127
Contributions in relation to the contractually required contribution	-	-	-	495,548	349,418	352,514	377,573	302,127
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 10,920,802	$ 10,207,989	$ 8,570,686	$ 6,844,837	$ 6,807,835	$ 6,503,279	$ 6,366,878	$ 5,890,324
District's contributions as a percentage of it's covered-employee payroll	0.00%	0.00%	0.00%	7.24%	5.13%	5.42%	5.93%	5.13%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal year is determined as of June 30.

See the accompanying notes to the required supplementary information.

Clark County School District
REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information – OPEB
For the Year Ended June 30, 2025

TRS

Note I - Changes of Benefit Terms

Health and Life Trust

June 30, 2024 (Valuation Date: June 30, 2023)

- None

June 30, 2023 (Valuation Date: June 30, 2022)

- None

June 30, 2022 (Valuation Date: June 30, 2021)

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

June 30, 2021 (Valuation Date: June 30, 2020)

- None

June 30, 2020 (Valuation Date: June 30, 2019)

- None

June 30, 2019 (Valuation Date: June 30, 2018)

- None

June 30, 2018 (Valuation Date: June 30, 2017)

Health Trust

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

- Life Trust - none

Note II - Changes to assumptions or other inputs

Health Trust

The changes adopted by the Board on September 20, 2021, include various demographic and economic assumptions summarized below:

- Price Inflation changed assumed rate from 3.00% to 2.50%,
- Wage Inflation changed assumed rated from 3.50% to 2.75%,
- Assumed investment rate of return changed from 8.00% for the Health Trust and 7.50% for the Life Trust to 7.10% for both.
- Assumed Salary Scale adjusted to reflect a decrease of 0.25% in merit and promotion for all ages.

Health Trust (Continued)

- Assumed rate of mortality have been revised to the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with the MP-2020 improvement scale with various set-forwards, set-backs, and adjustments.
- Assumed rate of Withdrawal, Disability, Retirement, and Mortality have been adjusted to more closely reflect experience, and
- Assumed rates of member and spousal participation have been adjusted to more closely reflect experience.

Life Trust

None

CERS

2023 Single discount rates of 5.99% for the CERS non-hazardous insurance plan and 6.02% for the CERS hazardous insurance plan were used to measure the total OPEB liability as of June 30, 2023. The singe discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023.

2022 Single discount rates of 5.97% for the CERS non-hazardous insurance plan and 5.93% for the CERS hazardous insurance plan were used to measure the total OPEB liability as of June 30, 2022. The singe discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.86%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2022.

2021 Single discount rates of 5.20% for the CERS non-hazardous insurance plan and 5.05% for the CERS hazardous insurance plan were used to measure the total OPEB liability as of June 30, 2021. The singe discount rates are based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 1.92%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2021.

CLARK COUNTY SCHOOL DISTRICT

Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2025

	District Activity Fund	Student Activity Fund	Capital Outlay Fund	Facility Support Program (FSPK) Fund	Total Non-Major Funds
ASSETS					
Cash and cash equivalents	$ 180,754	$ 906,747	$ -	$ -	$ 1,087,501
Interfund receivables	-	-	-	-	-
Receivables					
Taxes-current	-	-	-	-	-
Accounts	7,289	4,026	-	-	11,315
Intergovernmental - state	-	-	-	-	-
Intergovernmental - federal	-	-	-	-	-
Total assets	188,043	910,773	-	-	1,098,816
LIABILITIES					
Accounts payable	6,962	53,871	-	-	60,833
Interfund payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	6,962	53,871	-	-	60,833
FUND BALANCE					
Restricted	181,081	856,902	-	-	1,037,983
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	181,081	856,902	-	-	1,037,983
TOTAL LIABLITIES AND FUND BALANCE	$ 188,043	$ 910,773	$ -	$ -	$ 1,098,816

CLARK COUNTY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds
For the Year Ended June 30, 2025

	District Activity Fund	Student Activity Fund	Capital Outlay Fund	Facility Support Program (FSPK) Fund	Debt Service Fund	Total Non-Major Funds
REVENUES						
From Local Sources						
Taxes						
Property	$ -	$ -	$ -	$ 3,084,753	$ -	$ 3,084,753
Motor vehicle	-	-	-	398,701	-	398,701
Franchise	-	-	-	494,688	-	494,688
Utilities	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Earnings on investments	-	50,045	-	-	-	50,045
Student activities	19,299	840,842	-	-	-	860,141
Other local revenue	80,890	130,053	-	-	-	210,943
Intergovernmental - state	-	-	467,578	1,684,232	-	2,151,810
Intergovernmental - federal	-	-	-	-	-	-
Total revenues	100,189	1,020,940	467,578	5,662,374	-	7,251,081
EXPENDITURES						
Instruction	25,382	615,259	-	-	-	640,641
Support services						
Student	-	9,166	-	-	-	9,166
Instructional staff	-	50,253	-	-	-	50,253
District Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Business	-	-	-	-	-	-
Plant operation and maintenance	51,615	-	-	-	-	51,615
Student Transportation	-	196,147	-	-	-	196,147
Community Services Operations	13,157	-	-	-	-	13,157
Building acquisitions and construction	-	-	-	-	-	-
Building improvements	-	-	-	-	-	-
Other Instructional Services	-	15,483	-	-	-	15,483
Other Non-Instructional Services	-	22,104	-	-	-	22,104
Debt service					-	
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	90,154	908,412	-	-	-	998,566
EXCESS (DEFICIENCY) OF REVENUES	10,035	112,528	467,578	5,662,374	-	6,252,515
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-		-
Operating transfers in	19,663	40,501	-	-	-	60,164
Operating transfers (out)	(315)	(56,113)	(467,578)	(5,969,694)	-	(6,493,700)
Total other financing sources and (uses)	19,348	(15,612)	(467,578)	(5,969,694)	-	(6,433,536)
NET CHANGE IN FUND BALANCE	29,383	96,916	-	(307,320)	-	(181,021)
FUND BALANCE - BEGINNING, as previously reported	178,963	761,605	-	307,320	-	1,247,888
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	-
Error correction	(27,265)	(1,619)	-	-	-	(28,884)
FUND BALANCE - BEGINNING, as restated	151,698	759,986	-	307,320	-	1,219,004
FUND BALANCE - ENDING	$ 181,081	$ 856,902	$ -	$ -	$ -	$ 1,037,983

CLARK COUNTY SCHOOL DISTRICT

Schedule of Student Activity
For the Year Ended June 30, 2025

School	CASH BALANCES July 1, 2024	RECEIPTS	DISBURSEMENTS	CASH BALANCES June 30, 2025
George Rogers Clark High School	$ 412,045	$ 517,830	$ 481,280	$ 448,595
Robert D. Campbell Junior High	167,778	312,947	274,967	205,758
Rev. Henry E. Baker, Sr. Intermediate School	35,288	71,891	71,065	36,114
William G. Conkwright Elementary	11,177	35,115	28,579	17,713
Willis H. Justice Elementary	25,394	45,941	35,857	35,478
Shearer Elementary	33,292	31,139	24,792	39,639
Phoenix Academy	1,056	230	399	887
Clark County Preschool	27,902	7,407	3,939	31,370
Strode Station Elementary	46,054	38,941	43,647	41,348
Transfers		(40,501)	(56,113)	
Total School Activity Funds	$ 759,986	$ 1,020,940	$ 908,412	$ 856,902

CLARK COUNTY SCHOOL DISTRICT

Schedule of Student Activity – Clark County High School
For the Year Ended June 30, 2025

Activity	CASH BALANCES July 1, 2024	RECEIPTS AND TRANSFERS	DISBURSEMENTS AND TRANSFERS	CASH BALANCES June 30, 2025
FRYSC WINTER DRIVE	$ 181	$ -	$ -	$ 181
GENERAL	43,502	19,649	18,011	45,140
CAP & GOWNS	21,079	-	5,324	15,755
GRADUATION	791	20,123	17,544	3,370
GUIDANCE	498	20	237	281
AP TESTING	5,010	10,709	47	15,672
STUDENT CHRISTMAS SHOPPING	9,379	1,326	-	10,705
STUDENT LEADERSHIP CHALLENGE	1,098	-	-	1,098
SENIOR NYC TRIP	4,929	750	-	5,679
PSAT	361	385	-	746
SCIENCE	36	-	36	-
LACROSS TEAM	362	-	-	362
WRESTLING	3,437	875	-	4,312
INSTRUCTIONAL ACTIVITY	6,034	-	2,192	3,842
ACADEMIC	446	-	375	71
BAND	1,910	-	1,910	-
CHORAL	13,033	2,452	296	15,189
FLORAL DESIGN	1,452	980	-	2,432
LANGUAGE PROGRAM	-	-	-	-
ORCHESTRA	405	-	343	62
SENIOR CLASS	35,446	4,126	10,457	29,115
SPECIAL ED	296	1,376	266	1,406
FFA	6,843	6,074	-	12,917
STLP	114	-	114	-
PLTW ENGINEERING	265	-	265	-
PLTW BIO MED	6,131	-	356	5,775
SMOKE SIGNALS	-	-	-	-
BOOKSTORE	15,615	8,807	3,501	20,921
DRAMA	18,180	8,365	4,142	22,403
FCCLA	1,848	323	-	2,171
LIBRARY	876	314	1,061	129
Y-CLUB	-	5,607	5,135	472
MULTICULTRAL CLUB	75	405	75	405
FRENCH CLUB	2,889	38	-	2,927
FINE ARTS COHORT	614	4,385	2,247	2,752
SPANISH CLUB	1,338	38	-	1,376
NATIONAL HONOR SOCIETY	3,136	-	1,446	1,690
NATIONAL ART HONOR SOCIETY CLUB	1,109	-	-	1,109
BUDDIES OF THE BLUEGRASS	409	-	-	409
ATHLETICS	69,301	73,969	46,973	96,297
BASEBALL	4,973	2,032	2,801	4,204
BASS FISHING	5,667	-	1,920	3,747
BOWLING	2,960	-	679	2,281
BOY'S BASKETBALL	1,146	700	625	1,221
CHEER	591	2,685	-	3,276
GIRL'S GOLF	106	-	-	106
SOFTBALL	19	-	-	19

CLARK COUNTY SCHOOL DISTRICT
Schedule of Student Activity – Clark County High School
For the Year Ended June 30, 2025
(Continued)

Activity	CASH BALANCES July 1, 2024	RECEIPTS AND TRANSFERS	DISBURSEMENTS AND TRANSFERS	CASH BALANCES June 30, 2025
GIRL'S TENNIS	$ 345	$ 690	$ 209	$ 826
GIRLS BASKETBALL	1,964	5,721	5,593	2,092
FOOTBALL	3,836	2,498	4,050	2,284
BOYS GOLF	218	-	-	218
BOY'S SOCCER	734	-	-	734
BOY'S TENNIS	-	-	-	-
GIRL'S SOCCER	3,537	-	-	3,537
STAFF/PRINCIPAL'S ACCOUNT	1,847	272	235	1,884
SWIMMING	796	-	-	796
TRACK	866	2,705	1,252	2,319
CROSS COUNTRY	183	-	-	183
ARCHERY	250	-	-	250
FRYSC DONATIONS	8,094	3,762	176	11,680
FOOD PANTRY	915	-	-	915
VOLLEYBALL	100	638	-	738
DANCE TEAM	3,669	542	41	4,170
SPIRIT CLUB	1,272	66	-	1,338
DANCE RED	234	-	234	-
SPECIAL OLYMPICS	139	226	-	365
MOCK TRIAL	1,455	-	1,156	299
TECHNOLOGY STUDENT ASSOCIATION	298	43	-	341
YEARBOOK	12,000		4,160	7,840
JROTC	4,198	986	4,531	653
MARCHING BAND	12,815	249	1,548	11,516
STUDENT COUNCIL	318	277		595
GREENHOUSE	33,787	-	4,691	29,096
BETA CLUB	2,919	9,747	5,686	6,980
JOURNALISM	13,511	6,344	16,054	3,801
10TH REGION GIRLS SOCCER	-	-	-	-
10TH REGION GIRLS BASKETBALL TOURNAMENT	-	3,970	-	3,970
FBLA	4,511	7,087	11,274	324
GSA CLUB	246	4,354	385	4,215
JAG	1,437	-	1,400	37
BUTTERFLY CLUB	28	120	-	148
YOUNG DEMOCRATS CLUB	96	476	284	288
BRING CHANGE TO MIND	138	-	138	-
FIELD TRIPS	-	3,701	3,701	-
10TH REGION ALLSTAR	399	3,036	2,297	1,138
SHELBY STOCKER MEMORIAL SCHOLORSHIP	1,000	2,000	2,000	1,000
Totals	$ 412,045	$ 236,023	$ 199,473	$ 448,595

CLARK COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE/SUBTITLE	FEDERAL ASSISTANCE LISTING	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
UNITED STATES DEPARMENT OF AGRICULTURE				
Child Nutrition Cluster -				
Passed Through Kentucky Department of Education:				
School Breakfast Program	10.553	7760005-25		$ 1,079,868
		7760005-24		287,241
				1,367,109
Passed Through Kentucky Department of Education:				
Summer Food Service Program for Children	10.559	7690024-24		15,583
		7690024-25		692
		7740023-25		6,746
		7740023-24		152,104
				175,125
Passed Through Kentucky Department of Education:	10.555	7750002-25		2,158,774
National School Lunch Program		7750002-24		558,744
				2,717,518
Non-Cash Assistance (Commodities)				
National School Lunch Program	10.555	4001105		351,126
TOTAL CHILD NUTRITION CLUSTER				4,610,878
Passed Through Kentucky Department of Education:				
Child and Adult Care Food Program	10.558	7790021-25		69,596
		7790021-24		16,128
		7800016-25		3,038
		7800016-24		716
				89,478
Passed Through Kentucky Department of Education:				
State Administrative Expenses for Child Nutrition	10.560	7700001-24		7,074
Passed Through Kentucky Department of Education:				
Fresh Fruit and Vegetable Program	10.582	7720012-24		10,022
		7720012-25		115,976
				125,998
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE				4,833,428
UNITED STATES DEPARMENT OF DEFENSE				
National Guard Civilian Youth Opportunities	12.000	Direct		91,924
TOTAL UNITED STATES DEPARTMENT OF DEFENSE				91,924
UNITED STATES DEPARTMENT OF EDUCATION				
Special Education Cluster -				
Passed Through Kentucky Department of Education:				
Special Education Grants to States	84.027A	3810002-25		1,354,095
		3810002-24		40,553
		3810002-21		1,698
				1,396,346
Passed Through Kentucky Department of Education:				
Special Education Preschool Grants	84.173A	3800002-25		1,432
		3800002-24		18,401
		3800002-23		61,388
				81,221
TOTAL SPECIAL EDUCATION CLUSTER				1,477,567

The accompanying notes are an integral part of this schedule.

CLARK COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025
(Continued)

Passed Through Kentucky Department of Education:				
Title I Grants To Local Educational Agencies	84.010	3100002-25		1,659,405
		3100002-24		116,683
		3100202-25		142,353
				1,918,441
Passed Through Kentucky Department of Education:				
Migrant Education State Grant Program	84.011A	3110002-25		124460
		3110002-24		7126
		3110002-21		1,789
				133,375
Passed Through Kentucky Department of Education:				
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013A	3100102-24		25,700
Passed Through Kentucky Department of Education:				
Career and Technical Education -- Basic Grants to States	84.048	3710002-25		41,509
		3710002-24		28,902
		3710002-23		3,846
				74,257
Full Service Community School	84.215J	Unassigned		13,877
PromiseNeighborhood	84.215N	Unassigned		224,869
				238,746
Passed Through Kentucky Department of Education:				
English Language Acquisition State Grants	84.365A	3300002-24		22,276
		3300002-25		14,538
				36,814
Passed Through Kentucky Department of Education:				
Supporting Effective Instruction State Grant	84.367	3230003-25		235,110
		3300002-24		235,866
		3300002-23		6,489
				477,465
Passed Through Kentucky Department of Education:				
Student Support and Academic Enrichment Program	84.424A	3420002-23		304
	84.424A	3420002-24		112,748
	84.424A	3420002-25		2,021
	84.424F	4300002-24		310,217
				425,290
Passed Through Kentucky Department of Education:				
Education Stabilization Fund Plan Act of 2021 (ARP)	84.425U	Unassigned		116,041
		4300002-21		508,101
				624,142
TOTAL UNITED STATES DEPARTMENT OF EDUCATION				5,431,797
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ -	$ 10,357,149

The accompanying notes are an integral part of this schedule.

CLARK COUNTY SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Note 1. Basis of Presentation

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

Note 2. Significant Accounting Policies

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

Note 3. Food Distribution

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed. For the year ended June 30, 2025, the District received food commodities totaling $351,126.

Note 4. Indirect Cost Rate

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

P & A
PATRICK & ASSOCIATES, LLC

124 Candlewood Drive
Winchester, KY 40391

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
Board of Education of the Clark County School District
Winchester, KY

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract, Including Appendix II Instructions for Submissions of the Audit Report*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark County School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Clark County School District's basic financial statements, and have issued our report thereon dated December 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clark County School 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 Clark County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clark County School 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.

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 Clark County School 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*.

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.

Patrick & Associates, LLC

Patrick & Associates, LLC
Winchester, Kentucky

December 18, 2025

PATRICK & ASSOCIATES, LLC
124 Candlewood Drive
Winchester, KY 40391

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
Board of Education of the Clark County School District
Winchester, KY

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Clark County School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Clark County School District's major federal programs for the year ended June 30, 2025. The Clark County School 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 Clark County School 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, Including Appendix II – Instruction for Submission of the Audit Report*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Clark County School 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 Clark County School 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 Clark County School 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.

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.

Patrick & Associates, LLC

Patrick & Associates, LLC
Winchester, Kentucky

December 18, 2025

Schedule of Findings and Questioned Costs

SUMMARY OF AUDITOR'S RESULTS

What type of report was issued for the financial statements?	Unmodified
Were there significant deficiencies in internal control disclosed?	No
If so, was any significant deficiencies material (GAGAS)?	No
Was any material noncompliance reported (GAGAS)?	No
Were there material weaknesses in internal control disclosed for major programs?	No
Were there any significant deficienceis in internal control disclosed that were not considered to be material weaknesses?	None Reported
What type or report was issued on compliance for major programs?	Unmodified
Did the audit disclose findings as it relates to major programs that are required to be reported as described in Uniform Guidance?	No
Major Programs	Title I [Federal Assistance Listing Number 84.010] Education Stabilization Fund [Federal Assistance Listing Number 84.425U]
Dollar threshold of Type A and B programs?	$750,000
Did the auditee qualify as low-risk?	Yes

FINDINGS – FINANCIAL STATEMENT AUDIT

No findings at the financial statement level.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT

No major federal award findings

SUMMARY SCHEDULE – PRIOR YEAR AUDIT FINDINGS

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no prior year findings

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no prior year findings.

APPENDIX D

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

STATEMENT OF INDEBTEDNESS

STATEMENT OF INDEBTEDNESS

KY CONST. §§ 157 and 158
KRS § 66.041

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF CLARK)

The undersigned, as the Treasurer of the Board of Education of Clark County (the "District"), does hereby certify that the following statements concerning the financial condition of the District are true and correct, as they appear from records of the District:

1.	The assessed valuation of taxable property in the District as estimated on the last certified assessment is	$4,294,727,873
2.	The total amount of all bonds, notes, and other obligations of the District issued and outstanding, including the present Bonds of $15,550,000*	$141,255,981*
3.	Bonds, notes, and other obligations of the District excluded from the calculation of net indebtedness are as follows:	
	(a) Obligations issued in anticipation of the levy or collection of special assessments which are payable solely from those assessments or are otherwise self-supporting obligations	$0
	(b) Obligations issued in anticipation of the collection of current taxes or revenues for the fiscal year which are payable within that fiscal year	$0
	(c) Obligations that are not self-supporting obligations and are issued after July 15, 1996, by any instrumentality of the District created to finance public projects for which there has been no pledge to the payment of debt charges of any tax of the District or for which there is no covenant by the District to collect or levy a tax to pay debt charges	$0
	(d) Self-supporting obligations and other obligations for which there has been no pledge to the payment of debt charges of any tax of the District or for which there is no covenant by the District to collect or levy a tax to pay debt charges	$123,641,942
	(e) Obligations issued to pay costs of public projects to the extent they are issued in anticipation of the receipt of, and are payable as to principal from, federal or state grants within that fiscal year	$0
	(f) Leases entered into under KRS Sections 65.940 to 65.956 after July 15, 1996 which are not tax-supported leases	$0
	(g) Bonds issued in the case of an emergency, when the public health or safety should so require	$0
	(h) Bonds issued to fund a floating indebtedness	$0
	TOTAL EXEMPT OBLIGATIONS	$123,641,942

* Preliminary, subject to change.

4. The total amount of bonds, notes, and other obligations of the District subject to the debt limitation set forth in KRS Section 66.041 (Line 3 minus Line 4) is $17.614.039*

5. The total amount of bonds, notes, and other obligations of the District subject to the debt limitation set forth in KRS Section 66.041, as computed in Line 5 above, does not exceed 2% of the assessed valuation of all of the taxable property in the District.**

6. The current tax rate of the District, for school purposes, upon the value of its taxable property is $0.655 per $100 of assessed valuation for real property and $0.655 per $100 of assessed valuation for tangible property, which does not exceed the maximum permissible aggregate tax rate for the District permitted by Kentucky law.

7. The issuance of the bonds, bond anticipation notes, or other obligations set forth in Line 3 hereof will not cause the tax rate set forth in Paragraph 7 hereof to increase in an amount which would exceed the maximum permissible aggregate tax rate for the District permitted by Kentucky law.

IN WITNESS WHEREOF, I have hereunto set my hand this June 23, 2026.

By: _____
Treasurer

* Preliminary, subject to change.

** In accordance with KRS Section 66.041, a city, county, urban-county, consolidated local government, charter county, or taxing district shall not incur net indebtedness to an amount exceeding the following maximum percentages on the value of taxable property within the city, county, urban-county, consolidated local government, charter county, or taxing district, as estimated by the last certified assessment previous to the incurring of the indebtedness:

(a) Cities, urban-counties, consolidated local governments, and charter counties having a population of 15,000 or more, 10%;

(b) Cities, urban-counties, and charter counties having a population of less than 15,000 but not less than 3,000, 5%;

(c) Cities, urban-counties, and charter counties having a population of less than 3,000, 3%; and

(d) Counties and taxing districts, 2%.

APPENDIX E

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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_____, 2026

Board of Education of Clark County, Kentucky
Winchester, Kentucky

Ladies and Gentlemen:

We have examined the transcript of proceedings for the issue of $15,550,000 Board of Education of Clark County, Kentucky General Obligation Bonds, Series 2026 (the "Bonds") (the "Board"), dated June 23, 2026, numbered R-1 upward, and of denominations of $5,000 or any integral multiple thereof. The Bonds are issued by the Board of Education of Clark County, Kentucky ("Board") on behalf of the Clark County School District ("District"). The Bonds mature, bear interest, and are subject to mandatory and optional redemption upon the terms set forth therein. We have also examined a specimen Bond.

Based upon this examination, we are of the opinion, based upon the laws, regulations, rulings, and decisions in effect on the date hereof, that:

1. The Bonds constitute valid obligations of the Board in accordance with their terms, which, unless paid from other sources, are payable from taxes to be levied by the by the Board within the District, without limitation as to rate.

2. Under the laws, regulations, rulings, and judicial decisions in effect on the date hereof, interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Further, interest on the Bonds will not be treated as a specific item of tax preference in computing the Federal alternative minimum tax; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In rendering the opinions set forth in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code.

3. Interest on the Bonds is not subject to taxation by the Commonwealth of Kentucky, and the Bonds are not subject to ad valorem taxation by the Commonwealth of Kentucky or any political subdivision thereof. We express no other opinion as to the federal or state tax consequences of purchasing, holding, or disposing of the Bonds.

The Board has not designated the Bonds as "qualified tax-exempt obligations" with respect to investments by certain financial institutions under Section 265 of the Code.

In rendering this opinion, we have relied upon covenants and certifications of facts, estimates, and expectations made by officials of the Board and the District and others contained in the transcript for the Bonds; which we have not independently verified. It is to be understood that the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium, and any other laws in effect from time to time affecting creditors' rights generally, and to the exercise of judicial discretion.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof, and specifically by current or future legislative proposals, which, if enacted into law, could adversely affect the tax exemption of the interest on the Bonds. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

STEPTOE & JOHNSON PLLC

APPENDIX F

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (this "Certificate") is executed and delivered as of June 23, 2026, by the Board of Education of Clark County, Kentucky (the "Issuer"), in connection with the issuance and delivery of $15,550,000 aggregate principal amount of General Obligation Bonds, Series 2026 (the "Obligations"). The Obligations are being issued under and in accordance with a resolution duly adopted by the Board of Education of the Issuer on April 28, 2026 (the "Authorizing Legislation"). The Issuer hereby certifies, covenants, and agrees as follows:

Section 1. Purpose of this Certificate.

This Certificate is being executed and delivered by the Issuer to provide for the disclosure of certain information concerning the Obligations on an ongoing basis, as set forth herein, for the benefit of the Holders (as hereinafter defined) of the Obligations, in accordance with the provisions of Rule 15c2-12 of the Securities and Exchange Commission, as amended from time to time (the "Rule").

Section 2. Definitions; Scope of this Certificate.

All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Authorizing Legislation and the Obligations. Notwithstanding the foregoing, the term "Disclosure Agent" shall mean the Issuer or any disclosure agent appointed or engaged by the Issuer, and any successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

"Annual Financial Information" means a copy of the annual comprehensive financial report prepared for the Issuer, which shall include, if prepared, a balance sheet, a statement of revenues and expenditures, and a statement of changes in fund balances, generally consistent with the information set forth in Appendix C to the Offering Document. All of such Annual Financial Information shall be prepared using generally accepted accounting principles as applied to governmental units; provided, however, that the Issuer may change the accounting principles used to prepare such Annual Financial Information so long as the Issuer includes, as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change, and explaining how to compare the financial information provided by the differing accounting principles. Any items listed above may be set forth in other documents which have been transmitted to the MSRB, including any Offering Documents of debt issues of the Issuer or any related public entities, or may be included by specific reference to any documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference. If audited financial statements are not available when the annual financial information is filed, unaudited financial statements shall be included, to be followed by audited financial statements when available.

"Beneficial Owner" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Obligations (including any persons holding the Obligations through nominees, depositories, or other intermediaries).

"Event," with respect to the Obligations, means any of the following events:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves, reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements, reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of any proposed or final determinations of taxability, any Notices of Proposed Issue (IRS Form 5701-TEB), or any other material notices or determinations with respect to the tax status of the security, or any other material events affecting the tax-exempt status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers (except any mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);

(ix) Defeasances;

(x) Release, substitution, or sale of any property securing the repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership, or any other similar event of the Issuer (Note – This event is considered to occur upon the occurrence of any of the following events: The appointment of a receiver, fiscal agent, or other similar officer for the Issuer in any proceeding under the U.S. Bankruptcy Code or in any other proceeding under any state or federal law in which any court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession of such assets or business but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);

(xiii) The consummation of a merger, consolidation, or other acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such actions, or the termination of a definitive agreement relating to such actions, other than in accordance with its terms, if material;

(xiv) Appointment of any successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or any other similar terms of any Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) Default, acceleration event, termination event, modification of terms, or any other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi), although some of such events may not be applicable to the Obligations.

"Financial Obligation" means (a) any debt obligation; (b) any derivative instrument entered into in connection with, or pledged as security or a source of payment for, any existing or planned debt obligation; or (c) a guarantee of either (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Holders" means any holder or Beneficial Owner of the Obligations.

"MSRB" means the Municipal Securities Rulemaking Board.

"Offering Document" means the Official Statement dated June 2, 2026.

"Operating Data" means an update of certain operating data of the Issuer, which is limited to the information provided in Appendix B to the Offering Document: "Assessed Value of Property," "Historical Tax Rates," "Tax Collection History," "Top Ten Taxpayers," "Attendance," and "SEEK Report."

"Participating Underwriter" means any of the original underwriters of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

"SEC" means the Securities and Exchange Commission.

Section 3. Disclosure of Information.

(A) Information Provided to the Public. Except to the extent that this Certificate is modified or otherwise altered in accordance with Section 4 hereof, the Issuer shall make, or shall cause the Disclosure Agent to make, public the information set forth in subsections (i), (ii), and (iii) below:

(i) Annual Financial Information and Operating Data. The Annual Financial Information and Operating Data of the Issuer, at least annually, on or before nine (9) months after the end of each fiscal year ending June 30, commencing with the fiscal year ended June 30, 2026, and continuing with each fiscal year thereafter. If the Disclosure Agent is an entity or person other than the Issuer, then the Issuer shall provide the Annual Financial Information and Operating Data to the Disclosure Agent no later than fifteen Business Days before the disclosure date set forth above. The Annual Financial Information and Operating Data may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information; provided that the audited financial statements of the Issuer may be submitted separately from the other Annual Financial Information.

(ii) Event Notices. Notice of the occurrence of any Event, in a timely manner, not in excess of ten business days after the occurrence of the Event.

(iii) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of the Issuer to provide the Annual Financial Information or Operating Data by the disclosure date required by subsection (A)(ii) of this Section.

(B) Dates Information is to be Provided to the Public. The Annual Financial Information and Operating Data of the Issuer and, subject to the timing requirement set forth in subsection (A)(ii) of this Section, notices of Event occurrences shall be made public on the same day as notice thereof is given to the Holders of the outstanding Obligations, if such notice is required in accordance with the provisions of the Authorizing Legislation or the Obligations, and such information shall not be made public before the date of such notice.

(C) Means of Making Information Public.

(i) Information shall be deemed to have been made public by either the Issuer or the Disclosure Agent under this Certificate if such information is transmitted as provided in subsection (C)(ii) of this Section, by the following means:

(a) to all of the Holders of outstanding Obligations, by first class mail, postage prepaid;

(b) to the MSRB, in any electronic format prescribed by the MSRB, and accompanied by the identifying information prescribed by the MSRB; or

(c) to the SEC, by (1) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (2) first class mail, postage prepaid; provided, however, that the Issuer and the Disclosure Agent are authorized to transmit information to the SEC by any means that are mutually acceptable to the Issuer or the Disclosure Agent, as the case may be, and the SEC.

(ii) The following information shall be transmitted to the following parties:

(a) All information required to be provided to the public under subsection (A) of this Section shall also be transmitted to the MSRB.

(b) All information required to be provided to the public under subsection (A) of this Section shall be made available, upon request therefor, to any Holders of the Obligations, but need not be transmitted to the Holders of the Obligations who do not so request.

(iii) To the extent that the Issuer is obligated to file any Annual Financial Information and Operating Data with the MSRB under this Certificate, such Annual Financial Information and Operating Data may be set forth in a document or a set of documents transmitted to the MSRB or may be included by specific reference to any documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system or filed with the SEC.

(iv) The Issuer or the Disclosure Agent may require payment from the Holders of the Obligations in connection with any request from a Holder for any periodic information regarding the finances or operational data of the Issuer or for any information regarding the occurrence of an Event, as provided by subsection (C)(ii)(b) of this Section, by charging any Holder which makes such a request for (1) the reasonable costs incurred by the Issuer or Disclosure Agent in duplicating and transmitting the requested information to such Holder, and (2) the reasonable administrative expenses incurred by the Issuer or Disclosure Agent in providing the requested information to such Holder.

Section 4. Amendment or Modification.

Notwithstanding any other provision of this Certificate to the contrary, the Issuer may amend this Certificate and waive any provision hereof, so long as such amendment or waiver is supported by an opinion of nationally recognized bond counsel with expertise in federal securities laws, stating that such amendment or waiver would not, in and of itself, cause any of the undertakings set forth herein to violate the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in the Rule or in the official interpretation thereof, as well as any change in circumstance.

Section 5. Miscellaneous.

(A) Termination of Certificate. The obligations of the Issuer and the Disclosure Agent, if any, under this Certificate shall terminate when all of the Obligations are, or are deemed to be, no longer outstanding by reason of the redemption or legal defeasance of the Obligations or upon the maturity thereof.

(B) Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (i) disseminating any other information using the means of dissemination set forth herein or by any other means of communication, or (ii) including any other information, in addition to the information that is required by this Certificate, in any Annual Financial Information, Operating Data, or notice of the occurrence of an Event provided hereunder. If the Issuer chooses to include any other information in any Annual Financial Information, Operating Data, or notice of the occurrence of an Event in addition to that which is specifically

required under this Certificate, the Issuer shall have no obligation hereunder to update any such additional information or to include such information in any future Annual Financial Information, Operating Data, or notice of the occurrence of an Event provided under this Certificate.

(C) Defaults; Remedies. If the Issuer or the Disclosure Agent, if any, fails to comply with any of the provisions of this Certificate, any Holder of the Obligations may take any action as may be necessary and appropriate, including seeking an action in mandamus or for specific performance, to cause the Issuer or the Disclosure Agent, as the case may be, to comply with its respective obligations hereunder. Any default under this Certificate shall not constitute a default on the Obligations, and the sole remedy available in any proceeding to enforce this Certificate shall be an action to compel specific performance.

(D) Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Disclosure Agent, if any, the Participating Underwriter, and the Holders or Beneficial Owners of the Obligations and shall create no rights in any other person or entity.

Section 6. Additional Disclosure Obligations.

The Issuer hereby acknowledges and understands that other state and federal laws, including, but not limited to, the Securities Act of 1933, the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, may apply to the Issuer and that, under some circumstances, compliance with this Certificate, without additional disclosures or other action, may not fully discharge all of the duties and obligations of the Issuer under such laws.

Section 7. Notices.

Any notices or communications to the Issuer may be given as follows:

To the Issuer: Board of Education of Clark County, Kentucky
Clark County School District
1600 W. Lexington Avenue
Winchester, KY 40391
Attention: Finance Officer
Telephone: (859) 744.4545

[The remainder of this page is intentionally left blank.]

[SIGNATURE PAGE CONTINUING DISCLOSURE CERTIFICATE]

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

BOARD OF EDUCATION OF
CLARK COUNTY, KENTUCKY

_____
Chairperson

Attest:

_____
Secretary

APPENDIX G

BOARD OF EDUCATION OF CLARK COUNTY, KENTUCKY
GENERAL OBLIGATION BONDS,
SERIES 2026

BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that its participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between the Direct Participants' accounts, which eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers, dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"), which is the holding company for DTC, the National Securities Clearing Corporation, and the Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, including both U.S. and non-U.S. securities brokers, dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with any Direct Participant, either directly or indirectly (the "Indirect Participants" and, together with the Direct Participants, the "Participants"). DTC has a rating of AA+ from S&P. The DTC Rules that are applicable to the Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through the Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (each, a "Beneficial Owner") is, in turn, to be recorded on the records of the Direct Participants and the Indirect Participants. The Beneficial Owners will not receive written confirmation from DTC of their purchase; provided, however, that the Beneficial Owners are expected to receive written confirmations providing details of such transaction, as well as periodic statements of their holdings, from the Direct Participant or the Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of the Direct Participants and the Indirect Participants acting on behalf of the Beneficial Owners. The Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all of the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership of the Bonds. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

The conveyance of notices and any other communications by DTC to the Direct Participants, by the Direct Participants to the Indirect Participants, and by the Direct Participants and the Indirect Participants to the

Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. The Beneficial Owners may wish to take certain steps to augment the transmission to them of notices of significant events relating to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, the Beneficial Owners may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. Alternatively, the Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a single issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede &. Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or the Paying Agent, on the payable date in accordance with their respective holdings shown upon DTC's records. All payments by the Participants to the Beneficial Owners will be governed by standing instructions and customary practices, as is the case with any securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) will be the responsibility of the District or the Paying Agent, the disbursement of such payments to Direct Participants will be the responsibility of DTC, and the disbursement of such payments to Beneficial Owners will be the responsibility of the Direct Participants and the Indirect Participants.

DTC may discontinue providing its services as the securities depository for the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information contained in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.