

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 18, 2025**

**Book-Entry Only**

**Rating: “Aa3” Moody’s (Enhanced)**

**“A1” (Underlying)**

**New Issue – Not Bank Qualified**

**See “RATING” herein**

*In the opinion of Bond Counsel, subject to the conditions set forth in "Tax Exemption" herein, under existing laws, interest on the Bonds is excluded from gross income for federal and Kentucky income tax purposes and is not an item of tax preference for purposes of 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. Bond Counsel is further of the opinion that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and its political subdivisions. See "Tax Exemption" herein.*



**\$24,700,000\***

**BOARD OF EDUCATION OF EDMONSON COUNTY, KENTUCKY  
GENERAL OBLIGATION BONDS,  
SERIES OF 2025**

**Dated: Date of Issuance**

**Due: as shown below**

Interest on the above-captioned Bonds (the “Bonds”) will be payable from their dated date, on each June 1 and December 1, commencing June 1, 2026, and the Bonds mature on each December 1, as shown below:

<b>Cusip#</b>	<b>Maturity Date</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Price/ Yield</b>	<b>Cusip#</b>	<b>Maturity Date</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Price/ Yield</b>
<b>=</b>			<b>%</b>	<b>%</b>	<b>=</b>			<b>%</b>	<b>%</b>
	12/01/2026	\$570,000				12/01/2039	\$960,000		
	12/01/2027	580,000				12/01/2040	1,000,000		
	12/01/2028	600,000				12/01/2041	1,045,000		
	12/01/2029	620,000				12/01/2042	1,190,000		
	12/01/2030	635,000				12/01/2043	1,245,000		
	12/01/2031	655,000				12/01/2044	1,215,000		
	12/01/2032	675,000				12/01/2045	1,255,000		
	12/01/2033	695,000				12/01/2046	1,255,000		
	12/01/2034	715,000				12/01/2047	1,315,000		
	12/01/2035	740,000				12/01/2048	1,385,000		
	12/01/2036	860,000				12/01/2049	1,450,000		
	12/01/2037	890,000				12/01/2050	2,225,000		
	12/01/2038	925,000							

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.

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

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 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 Bond Counsel, Louisville, Kentucky. The Bonds are expected to be available for delivery on or about December 16, 2025.

Dated: November \_\_, 2025



\*Preliminary, subject to change.

This Preliminary Official Statement has been prepared for submission to prospective bidders for the bonds herein described and is in a form “deemed final” by the Corporation for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement. 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 any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**BOARD OF EDUCATION OF EDMONSON COUNTY, KENTUCKY**

Alex Ulm,  
Chair

Paul Forester,  
Vice Chair

Melinda Campbell,  
Member

Mark Rich,  
Member

Sean Sanders,  
Member

Brian Alexander,  
Superintendent

Callie Ashley,  
Chief Finance Officer

Amanda Morton  
Treasurer & Accounts Payable

**BOND COUNSEL**

Steptoe & Johnson PLLC  
Louisville, Kentucky

**FISCAL AGENT**

Robert W. Baird & Co., Incorporated  
Louisville, 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 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 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 Board, 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 District from its records, 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 or District 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 uncodedified, 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 Edmonson County (Kentucky) School District, "Board" means the Board of Education of Edmonson County, Kentucky, and "Commonwealth" or "Kentucky" means the Commonwealth of Kentucky.

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**\$24,700,000\***  
**BOARD OF EDUCATION OF EDMONSON COUNTY, KENTUCKY**  
**GENERAL OBLIGATION BONDS,**  
**SERIES OF 2025**

**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 \$24,700,000\* aggregate principal amount of General Obligation Bonds, Series of 2025 (the “Bonds”) of the Board of Education of Edmonson County, Kentucky (“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 Edmonson 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 Brownsville, Kentucky and the County of Edmonson, 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 November 10, 2025 (the “Bond Resolution”).

The Bonds are being issued for the purposes of (i) financing the costs of the construction and equipping of a new Kyrock Elementary School (the “Project”) and (ii) paying the costs of issuance of the Bonds. The District anticipates issuing an additional series of bonds in the approximate amount of \$5 million in calendar year 2026 to fund the completion of the Project.

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 Tuesday, December 16, 2025, 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 of the District 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 700 N Hurstbourne Pkwy #115, Louisville, Kentucky 40222. Additional information regarding this Official Statement or the District, including financial information for the District, is available from Robert W. Baird & Co., Incorporated, at 500 West Jefferson Street, Suite 2600, Louisville, Kentucky, 40202, Telephone: (502) 588-1763, Attention: Kelly Mrcic.

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 certain information on the cover page hereof and

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\* Preliminary, subject to change.

certain pages herein that has been omitted in accordance with the Rule and which 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 June 1, 2026, from the later of the date of issuance of 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 15 and November 15, 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 of Education of Edmonson County, Kentucky (the "Board") on November 10, 2025 (the "Bond Resolution").

### **Redemption Provisions**

Optional Redemption. The Bonds maturing on and after December 1, 2035 shall be subject to optional redemption on December 1, 2034 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.

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 Board 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 of the Bonds before the stated maturity thereof 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 any other fiduciary, either (a) moneys in an amount 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 other 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 their 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 so deposited with the Paying Agent or with such other 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 any other fiduciary, if not then needed for such purposes, shall, to the extent practicable, be (1) 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 their stated maturity, the applicable redemption date, or the immediately succeeding interest payment date thereof, as the case may be, and (2) 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, 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; 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 I – Book-Entry Only System” hereto.

THE INFORMATION SET FORTH IN THIS SECTION AND APPENDIX I 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 shall be collected to the extent other lawfully available moneys of the Board are not provided or 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.

### **Commonwealth Budget for Biennial Period Ending June 30, 2026**

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 2024 Regular Session of the Kentucky General Assembly adopted a State Budget for the biennial period ending June 30, 2026, which was approved and signed by the Governor and became effective as of July 1, 2024. 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](http://www.osbd.ky.gov).

### **Kentucky School Facilities Construction Commission**

The Commission is an independent corporate agency and instrumentality of the Commonwealth of Kentucky established pursuant to the provisions of Sections 157.611 through 157.640 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.

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Project and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately 3.6% to be applied to the annual debt service requirements for the Bonds herein identified each year through December 1, 2045; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2026; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period through December 1, 2045, but such execution does not obligate the Commission to do so.

The General Assembly of the Commonwealth adopted the State's Budget for the fiscal year ending June 30, 2026. Inter alia, the Budget provides \$116,928,400 in FY 2024-2025 and \$126,269,500 in FY 2025-2026 to pay debt service on existing and future bond issues. There are \$75,900,000 of the Commission's previous Offers of Assistance made during the last biennium. It authorizes \$71,235,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2026.

### **PLAN OF FINANCING**

The Bonds are being issued for the purposes of (i) financing the costs of the construction and equipping of a new Kyrock Elementary School ( the "Project") and (ii) paying the costs of issuance of the Bonds.

### **SOURCES AND USES OF FUNDS**

#### **Sources\*:**

Par Amount of Bonds	\$ _____
Plus: Other Sources of Funds	_____
Total Sources	\$ _____

#### **Uses\*:**

Deposit to Construction Fund	\$ _____
Underwriter's Discount	_____
Costs of Issuance	_____
Total Uses	\$ _____

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\*Preliminary, subject to adjustment

## **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 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 remedy provided by 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 litigation or required use of statutory remedial procedures. The validity and priority of the statutory lien provided by 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, as governing body for the District, 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 in its entirety, 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 municipal bond rating assigned to the Bonds at the time of their 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 additional 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 an independent 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 Edmonson County, Kentucky on a non-partisan ballot to serve a four year term. Each year, the Board elects a 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 of the District and their terms of office are as follows:

<u>Member</u>	<u>Position</u>	<u>Term Ends</u>
Alex Ulm	Chair	2028
Paul Forester	Vice Chair	2028
Melinda Campbell	Member	2026
Mark Rich	Member	2028
Sean Sanders	Member	2026

The District serves approximately 1,896 students in preschool through grade 12 residing in Edmonson County, Kentucky. The District operated 2 primary/elementary schools, 2 middle schools, and 1 high school during the 2025-26 school year.

The District employs 354 total employees, which includes 114 full time teachers as of the 2025-26 school year. The Board employs a Superintendent of Schools (the “Superintendent”), who, subject to the control of the Board, has general supervision of the conduct of the schools, the courses of instruction, the management of teachers, the discipline of pupils and the management of business affairs. The Superintendent is the executive officer of the District. Key District administrative personnel include:

<u>Name</u>	<u>Position</u>
Brian Alexander	Superintendent
Callie Ashley	Chief Finance Officer
Lannie Deweese	Director of Transportation & Maintenance
Amanda Morton	Treasurer & Accounts Payable

As part of this Official Statement, Tax Base and Operating Data pertaining to the District is included in Appendix A; the Outstanding Bond indebtedness of the Board and the District is included in Appendix B; demographic and economic data for the area served by the District is included in Appendix C; Debt Service Requirements for the Bonds is included in Appendix D; and the Audited Financial Statements of the District for its Fiscal Year ended June 30, 2024 are included as Appendix E. The audited financial statements for the Fiscal Year ended June 30, 2025, are not available as of the date of this posting. If the audited financial statements become available between the bond sale and closing, they will be included in the final Official Statement. If they become available within 30 days after closing, the Official Statement will be supplemented (stickered) to include the audited financial statements.

### **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 of the District levies a tax on real estate, personal property, and motor vehicles at a specific rate per \$100.00 of assessed valuation. See “Appendix A – Tax Base and Operating 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 A – Tax Base and Operating 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 A – Tax Base and Operating 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 A – Tax Base and Operating Data” hereto for a recent history of the FSPK Program appropriations to the District.

### **Recallable Nickels**

Pursuant to KRS 160.470 and KRS 132.017, in December 2023, the Board adopted and levied a 5 cent real and tangible property increase for debt service and for new school facilities. Additionally, in August 2025, the District levied an additional 5 cent real and tangible property tax increase for debt service and for new school facilities. The 10 cent contribution generates an additional \$1,235,424 in revenue based on 2025-26 assessments.

### Utility Tax

The Board levies a utility gross receipts tax (for school purposes) on the gross receipts derived from the furnishing, within Edmonson County, of telephone, telegraph, electric power, water and gas, subject to certain exemptions. Once levied, the tax remains in effect from year to year unless and until the Board requests its discontinuance. The utility tax is due and payable monthly. Please see Appendix A for utility tax rates levied by the board.

### Summary of General Fund

The District maintains its books and records on the modified accrual basis method of accounting as prescribed by the Kentucky Department of Education for local school districts. The following table summarizes, on a modified accrual basis, the General Fund activity based on the District's annual financial reports for recent fiscal years to include un-audited 2024-25 and budgeted 2025-26.

	<b>General Fund</b>			
	Working Budget	Un-Audited	Actual - Audits	
	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>
Beginning Balance	\$ 3,237,907	\$ 2,360,224	\$ 2,842,445	\$ 2,530,314
Revenues:				
Local Sources	\$ 5,403,398	\$ 5,145,116	\$ 5,041,181	\$ 4,624,591
State Sources	13,745,059	13,299,849	12,866,427	14,371,111
Federal Sources	171,000	179,464	216,334	177,686
Capital Lease / Loan Proceeds	-	-	-	-
Transfers	394,677	125,173	-	-
Sale of Property, etc.	4,001	-	-	-
Total Revenues	<u>\$ 19,718,135</u>	<u>\$ 18,749,601</u>	<u>\$ 18,123,942</u>	<u>\$ 19,173,388</u>
Total of All Receipts Plus Beginning Balance	<u>\$ 22,956,042</u>	<u>\$ 21,109,825</u>	<u>\$ 20,966,387</u>	<u>\$ 21,703,702</u>
Expenditures:				
Total Current Expenses	\$ 22,751,556	\$ 18,019,750	\$ 18,047,714	\$ 18,943,944
Advancements, Loans & Transfers, etc.	204,486	196,513	(55,713)	(82,687)
Total Expenditures	<u>\$ 22,956,042</u>	<u>\$ 18,216,263</u>	<u>\$ 17,992,001</u>	<u>\$ 18,861,257</u>
Ending Balance	<u>\$ -</u>	<u>\$ 2,893,563</u>	<u>\$ 2,974,386</u>	<u>\$ 2,842,445</u>

Source: Edmonson County School 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 local tax revenues through increases in tax rates on non-exempt property

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 Statutes 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 F 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.

The District values legality, safety, liquidity, and yield, in that order.

### **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 F.

Appendix F 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 \$24,708,479, and the District’s net debt subject to such limit presently outstanding (including the Bonds) is \$24,700,000\*, leaving a balance of approximately \$8,479\* 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.

### **PENSION AND HEALTH BENEFIT OBLIGATIONS OF THE BOARD**

The District’s employees are provided with two pension plans, based on each position’s college degree requirement. The County Employees Retirement System covers employees whose position does not

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\* Preliminary, subject to adjustment.

require a college degree or teaching certification. The Kentucky Teachers Retirement System covers positions requiring teaching certification or otherwise requiring a college degree.

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

Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through the Teachers’ Retirement System of the Commonwealth of Kentucky—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS is a blended component unit of the Commonwealth of Kentucky Revised Statutes and therefore is included in the Commonwealth’s financial statements. TRS issues a publicly available financial report that can be obtained at <http://www.trs.ky.gov/employers/gasb-65-67/>.

KRS 161.675 requires TRS to provide postemployment healthcare benefits to eligible employees and dependents. The TRS Medical Insurance Fund (MIF) is a cost-sharing multiple employer defined benefit plan. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly. In order to fund the post-retirement healthcare benefit, 7.50% of the gross annual payroll of members is contributed. Member contributions are 3.75% and 0.75% is paid from state appropriation. Employer contributions are 3.00%. Also, the premiums collected from retirees and investment interest help meet the medical expenses of the plan.

Information regarding the District’s annual contributions to these plans are contained in the audited financial statements and notes thereto of the District attached hereto as “APPENDIX E: Audited Financial Statements for Fiscal Year Ended June 30, 2024.” The audited financial statements for the Fiscal Year ended June 30, 2025, are not available as of the date of this posting. If the audited financial statements become available between the bond sale and closing, they will be included in the final Official Statement. If they become available within 30 days after closing, the Official Statement will be supplemented (stickered) to include the audited financial statements.

## **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 G – 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 District will also provide the original purchaser of the Bonds with a certification, executed by the Chair or the Treasurer of the Board or the Chief Financial Officer of the District, 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 G – 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 the 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 the 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 on any of the 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 will be 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 that such purchaser owns such Discount Bond will be added to the purchaser’s tax basis for purposes of determining the gain or loss on such Discount Bond at the maturity, redemption, sale, or other disposition of that Discount Bond and thus, in practical effect, will be treated as stated interest, which is excludable from the gross income of the purchaser for federal income tax purposes.

In addition to the foregoing, the OID that accrues in each year to the owner of any Discount Bond will be 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 any cash attributable to the OID accruing 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 Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”), the Board will execute and deliver a Continuing Disclosure Certificate to be dated the date of issuance of the Bonds (the “Continuing Disclosure Certificate”), the form of which is set forth in “Appendix H – Form of Continuing Disclosure Certificate” hereto, for the benefit of all parties who may become registered owners or beneficial owners of the Bonds from time to time. Under the Continuing Disclosure

Certificate, so long as the Bonds remain outstanding, the Board will agree to comply with the provisions of the Rule by causing the following the following information to be provided:

(i) to the Municipal Securities Rulemaking Board (the “MSRB”), or to any successor thereto for purposes of the Rule, through the continuing disclosure service portal provided by the MSRB’s Electronic Municipal Market Access (“EMMA”) system, as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the SEC, for each fiscal year of the District, the information provided in Appendix A of the FOS under the heading “TAX BASE AND OPERATING DATA” and (ii) the audited financial statements of the District set forth in “Appendix E – Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2024” hereto. The Annual Financial Information shall be provided annually, within nine (9) months of the close of each fiscal year, commencing with the fiscal year ended June 30, 2025, provided, however, that the audited financial statements may not be available by such date, but shall be made available immediately upon delivery thereof by the auditors for the District; and

(ii) to the MSRB, through EMMA, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or 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;
- (g) Modifications to rights of security holders, if material;
- (h) Bond calls, if material, and tender offers (except for any mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the securities, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership, or other similar event of the District (Note: This event is considered to occur upon the occurrence of any of the following: The appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or under any other state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers 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 District);
- (m) The consummation of any merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than in accordance with its terms, if material;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) Incurrence of a Financial Obligation of the District, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect its security holders, if material; and

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

(iii) in a timely manner, to the MSRB through EMMA, notice of a failure (of which the District has knowledge) of the District to provide the required Annual Financial Information on or before the date specified in the Continuing Disclosure Certificate.

“Financial Obligation” shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an 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.

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB’s Internet website or filed with the SEC.

The Continuing Disclosure Certificate provides bondholders, including the beneficial owners of the Bonds, with certain enforcement rights in the event of failure by the District to comply with the terms thereof; however, a default under the Continuing Disclosure Certificate does not constitute an event of default under the Bond Resolution. The Continuing Disclosure Certificate may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein.

For purposes of this transaction with respect to events as set forth in the Rule:

- (a) there are no debt service reserve funds applicable to the Bonds;
- (b) there are no credit enhancements applicable to the Bonds;
- (c) there are no liquidity providers applicable to the Bonds; and
- (d) there is no property securing the repayment of the Bonds.

As of the date of this Official Statement, the District 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 District intends to file all future Annual Financial Information within the time requirements specified in the Rule, the Continuing Disclosure Certificate, and the District’s existing continuing disclosure undertakings relating to other outstanding debt issues, and the District 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 District may be obtained from the Superintendent of the District at 200 Wildcat Way, Brownsville, KY 42210.

## **RATING**

As noted on the cover page of this Official Statement, Moody’s Investors Service, Inc. (“Moody’s”) has assigned an enhanced rating of “Aa3” and underlying rating of “A1” 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 net original issue premium 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**

Robert W. Baird & Co., Incorporated, Louisville, Kentucky, will act 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 EDMONSON COUNTY, KENTUCKY**

By: /s/ Alex Ulm, Chair

## **APPENDIX A**

### **Board of Education of Edmonson County, Kentucky**

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#### **Tax Base and Operating Data**

## Local Tax Rates, Property Assessment and Revenue Collections

### Local Tax Rates

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Tangible Personal</u>	<u>Motor Vehicle</u>	<u>Utility Tax</u>
2025-26	\$.459	\$.459	\$.503	3%
2024-25	.478	.478	.503	3%
2023-24	.440	.444	.503	3%
2022-23	.457	.459	.503	3%
2021-22	.459	.459	.503	3%

### Property Assessment

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Tangible Personal</u>	<u>Franchise</u>	<u>Motor Vehicle</u>	<u>Total Assessments</u>
2025-26	\$1,038,042,765	\$15,467,541	\$38,848,065	\$143,065,584	\$1,235,423,955
2024-25	936,939,886	14,619,772	34,123,466	136,617,067	1,122,300,191
2023-24	829,950,837	13,263,463	28,852,379	132,774,646	1,004,841,325
2022-23	737,829,965	11,703,068	26,267,860	112,403,013	888,203,906
2021-22	685,732,947	9,888,642	26,471,406	103,860,349	825,953,344

### Revenue Collections<sup>(1)</sup>

<u>Fiscal Year</u>	<u>Taxes Budgeted</u>	<u>Taxes Collected</u>	<u>Percent Collected vs Budgeted</u>
2025-26 <sup>(2)</sup>	\$6,121,150	n/a	n/a
2024-25	5,585,983	\$6,241,405	111.7%
2023-24	5,039,721	5,162,649	102.4%
2022-23	4,004,652	4,869,054	121.6%
2021-22	3,603,919	3,833,068	106.4%

(1) Ad Valorem

(2) Estimates based on 2025-26 Working Budget Report

n/a = not available

### Capital Outlay, SEEK, and FSPK Funding

<u>Fiscal Year</u>	<u>Capital Outlay</u>	<u>SEEK</u>	<u>FSPK</u>
2025-26 <sup>(1)</sup>	\$160,894	\$8,294,062	\$445,626
2024-25	160,715	7,843,990	514,975
2023-24	161,875	7,413,809	319,904
2022-23	169,495	7,943,213	416,931
2021-22	169,495	7,723,981	363,309

(1) Estimates based on 2025-26 Working Budget Report

### History of Enrollment and ADA

<u>Fiscal Year</u>	<u>Enrollment<sup>(1)</sup></u>	<u>Average Daily Attendance</u>
2025-26 (est.)	1,763	1,608.9
2024-25	1,730	1,607.2
2023-24	1,725	1,618.7
2022-23	1,750	1,694.9
2021-22	1,786	1,694.9

(1) Based upon K-12 enrollment, excluding Pre-K

Source: Edmonson County School District

## **APPENDIX B**

### **Board of Education of Edmonson County, Kentucky**

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#### **Outstanding Bonds of the District**

**EDMONSON COUNTY SCHOOL DISTRICT  
OUTSTANDING SCHOOL BUILDING REVENUE BONDS  
AS OF OCTOBER 1, 2025**

**Payable from Local Source**

<b><u>Issue of</u></b>	<b><u>Original Issue Amount</u></b>	<b><u>Bonds Retired</u></b>	<b><u>Bonds Outstanding</u></b>
June 1, 2017	\$1,528,794	\$71,208	\$1,457,586
July 2, 2020	1,574,317	101,763	1,472,554
February 10, 2022	3,848,469	279,472	3,568,997
June 7, 2023	1,115,000	40,000	1,075,000
August 19, 2025	7,570,000	-	7,570,000
Sub-Total	\$15,636,580	\$492,443	\$15,144,137

**Payable from Non-Local Sources <sup>(1)</sup>**

<b><u>Issue of</u></b>	<b><u>Original Issue Amount</u></b>	<b><u>Bonds Retired</u></b>	<b><u>Bonds Outstanding</u></b>
June 1, 2017	\$526,206	\$178,792	\$347,414
July 2, 2020	130,683	28,237	102,446
February 11, 2021	515,000	224,000	291,000
February 10, 2022	321,531	40,528	281,003
Sub-Total	\$1,493,420	\$471,557	\$1,021,863
<b>Total</b>	<b>\$17,130,000</b>	<b>\$964,000</b>	<b>\$16,166,000</b>

<sup>(1)</sup>Represents bonds payable by the Kentucky School Facilities Construction Commission subject to biennial appropriations by the Kentucky General Assembly.

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Source: Edmonson County School District



## **APPENDIX C**

### **Board of Education of Edmonson County, Kentucky**

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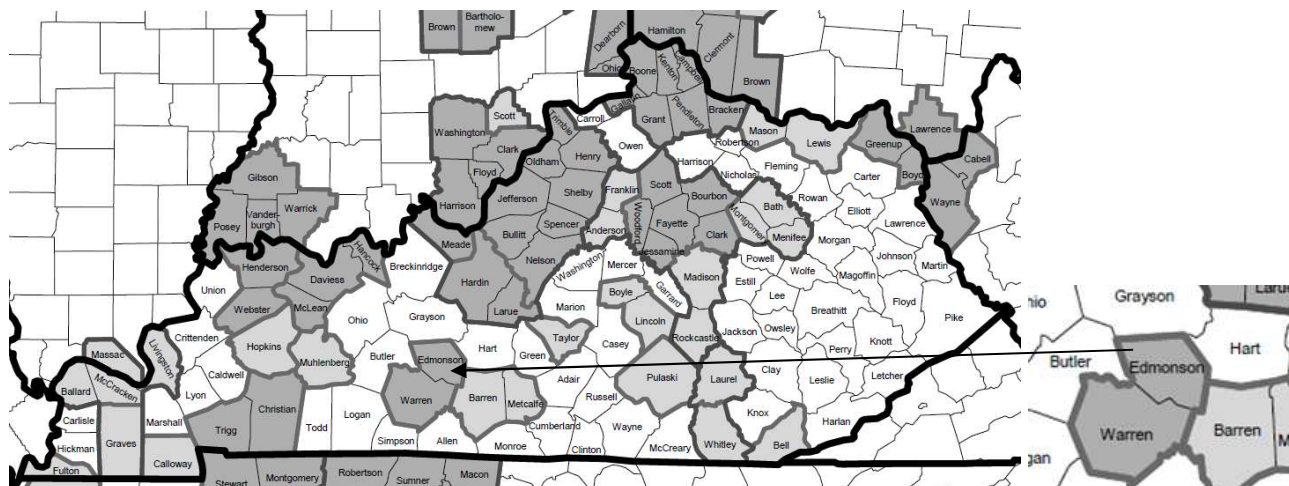
#### **Demographic and Economic Data**

## EDMONSON COUNTY, KENTUCKY

Edmonson County covers a land area of 303 square miles and has an estimated 2024 population of 12,635 persons.

Brownsville, the county seat of Edmonson County, is located in the south-central portion of the state and lies on the edge of Kentucky's Western Coal Field Region. A good portion of the County is located in Mammoth Cave National Park. Brownsville is located 77 miles north of Nashville, Tennessee; 79 miles south of Louisville, Kentucky; and 113 miles southwest of Lexington, Kentucky. The city had an estimated 2023 population of 888.

In the map below, the dark, grey-shaded areas denote metropolitan statistical areas, while the light grey areas denote micropolitan statistical areas.



### Labor Supply

As of April 2025, the estimated labor supply was 121,203 persons available for industrial jobs in the labor market area, which is defined as all counties that substantially fall within a 60-minute drive of the target county's county seat to include Barren, Butler, Grayson, Hart, and Warren Counties in Kentucky.

Major manufacturing employers in the surrounding area of south-central Kentucky are listed below:

<u>Firm</u>	<u>Products</u>	<u>Average Employment</u>
Dart Container Corporation	Food service packaging	1,600
Logan Aluminum Inc.	Aluminum processing	1,345
Bowling Green Metalforming	Fabricated metal	1,251
GM Corvette Assembly Plant	Automobile assembly	1,100
Henkel AG & Co.	Detergent and warehousing	930
Akebono Brake Glasgow	Disc brakes and disc brake pads	905
Kobe Aluminum Automotive Products	Aluminum forging	749
Franklin Precision Industry Inc.	Automotive fluid control components	662
Country Oven Bakery	Frozen dough, cakes, par baked rolls	645
Trace Die Cast Inc.	Die castings & secondary specialty machining	540

Source: Bowling Green Area Chamber of Commerce

## Education

The Edmonson County School District provides primary and secondary education to portions of the County. There are 7 four-year institutions and 9 two-year institutions of higher learning campuses located within 60 miles of Edmonson County. Additionally, there are 12 technical schools within 60 miles of the County.

## Transportation

Highways serving Edmonson County are US Interstate 65 and Kentucky Highways 101, 70, and 259. The Cumberland Parkway can be accessed 30 miles southeast of Brownsville. Twelve trucking companies provide interstate and/or intrastate service to Brownsville. Scheduled commercial airline service is available at the Louisville Muhammed Ali International Airport in Louisville, Kentucky, 92 miles northeast of Brownsville; and at the Nashville International Airport, 93 miles southwest of Brownsville. CSX Transportation provides rail service at Cave City, 20 miles east of Brownsville.

## Power and Water Services

The Warren Rural Electric Cooperative Corporation provides electric power to Brownsville and parts of Edmonson County. Edmonson County is also served by the Edmonson County Water District.

<b>Economic Data Edmonson County 2021-2025</b>						
<b><u>Year</u></b>	<b><u>Per Capita Income</u></b>	<b><u>Median Family Income</u></b>	<b><u>Average Weekly Wage</u></b>	<b><u>Unemployment Rate</u></b>	<b><u>Civilian Labor Force</u></b>	<b><u>Employment</u></b>
2025	(1)	\$82,900	(1)	6.8 <sup>(2)</sup>	5,184 <sup>(2)</sup>	4,834 <sup>(2)</sup>
2024	(1)	85,700	\$816.00	5.8	5,083	4,788
2023	\$41,551	79,900	790.00	5.1	4,955	4,703
2022	40,491	75,100	765.00	4.8	4,873	4,640
2021	40,459	68,500	732.00	4.7	4,817	4,592

Source: U.S. Bureau of Labor Statistics; FRED, St. Louis Federal Reserve

(1) Data not available

(2) Preliminary, as of March 2025

## The Economic Framework Edmonson County, Kentucky

<b><u>PERSONS BY INDUSTRY</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
Agriculture, forestry, fishing & hunting, & mining	112	2.3%
Construction	500	10.4%
Manufacturing	876	18.3%
Wholesale trade	97	2.0%
Retail trade	717	15.0%
Transportation & warehousing, & utilities	375	7.8%
Information	65	1.4%
Finance & insurance & real estate	161	3.4%
Professional, scientific, management, administrative & waste management services	237	4.9%
Educational services, health care & social assistance	908	19.0%
Arts, entertainment, recreation, accommodation & food services	467	9.7%
Other services, except public administration	217	4.5%
Public administration	58	1.2%
Total All Industries	4,790	100%

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates

## Population

The U.S. Census Bureau American Community Survey estimate of population for Edmonson County and City of Brownsville, Kentucky is as follows:

	<u>Edmonson County, KY</u>	<u>Brownsville, KY</u>
2025 Estimate	12,594	902
2020 U.S. Census	12,126	875
2010 U.S. Census	12,161	836
2000 U.S. Census	11,644	921

## Income

The U.S. Census Bureau, 2023 American Community Survey estimate of household income for Edmonson County and City of Brownsville, Kentucky is as follows:

	<u>Edmonson County, KY</u>		<u>Brownsville, KY</u>	
<u>HOUSEHOLDS BY INCOME</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	152	3.1%	27	7.1%
\$10,000 to \$14,999	382	7.7%	37	9.8%
\$15,000 to \$24,999	531	10.7%	66	17.5%
\$25,000 to \$34,999	623	12.6%	50	13.2%
\$35,000 to \$49,999	628	12.7%	27	7.1%
\$50,000 to \$74,999	914	18.4%	65	17.2%
\$75,000 to \$99,999	755	15.2%	70	18.5%
\$100,000 to \$149,999	648	13.1%	27	7.1%
\$150,000 to \$199,999	237	4.8%	7	1.9%
\$200,000 or MORE	85	1.7%	2	0.5%

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates

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## **APPENDIX D**

**Board of Education of Edmonson County, Kentucky**

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**Estimated District Debt Service Requirements for the Series of 2025 Bonds;  
and Estimated Total Annual District Debt Service Requirements**

*Board of Education of Edmonson County  
General Obligation Bonds, Series of 2025*

**ESTIMATED DEBT SERVICE REQUIREMENTS ON SERIES OF 2025 BONDS**

Date	Commission			District			Combined			Fiscal Total
	Principal	Interest	Total P+I	Principal	Interest	Total P+I	Principal	Interest	Total P+I	
06/01/2026	-	\$17,593.53	\$17,593.53	-	\$447,602.20	\$447,602.20	-	\$465,195.73	\$465,195.73	\$465,195.73
12/01/2026	\$37,887	19,192.95	57,079.95	\$532,113	488,293.30	1,020,406.30	\$570,000	507,486.25	1,077,486.25	-
06/01/2027	-	18,653.06	18,653.06	-	480,710.69	480,710.69	-	499,363.75	499,363.75	1,576,850.00
12/01/2027	38,982	18,653.06	57,635.06	541,018	480,710.69	1,021,728.69	580,000	499,363.75	1,079,363.75	-
06/01/2028	-	18,097.56	18,097.56	-	473,001.19	473,001.19	-	491,098.75	491,098.75	1,570,462.50
12/01/2028	40,099	18,097.56	58,196.56	559,901	473,001.19	1,032,902.19	600,000	491,098.75	1,091,098.75	-
06/01/2029	-	17,536.18	17,536.18	-	465,162.57	465,162.57	-	482,698.75	482,698.75	1,573,797.50
12/01/2029	41,237	17,536.18	58,773.18	578,763	465,162.57	1,043,925.57	620,000	482,698.75	1,102,698.75	-
06/01/2030	-	16,958.86	16,958.86	-	457,059.89	457,059.89	-	474,018.75	474,018.75	1,576,717.50
12/01/2030	42,419	16,958.86	59,377.86	592,581	457,059.89	1,049,640.89	635,000	474,018.75	1,109,018.75	-
06/01/2031	-	16,354.39	16,354.39	-	448,615.61	448,615.61	-	464,970.00	464,970.00	1,573,988.75
12/01/2031	43,668	16,354.39	60,022.39	611,332	448,615.61	1,059,947.61	655,000	464,970.00	1,119,970.00	-
06/01/2032	-	15,710.28	15,710.28	-	439,598.47	439,598.47	-	455,308.75	455,308.75	1,575,278.75
12/01/2032	44,998	15,710.28	60,708.28	630,002	439,598.47	1,069,600.47	675,000	455,308.75	1,130,308.75	-
06/01/2033	-	15,024.06	15,024.06	-	429,990.94	429,990.94	-	445,015.00	445,015.00	1,575,323.75
12/01/2033	46,415	15,024.06	61,439.06	648,585	429,990.94	1,078,575.94	695,000	445,015.00	1,140,015.00	-
06/01/2034	-	14,293.03	14,293.03	-	419,775.72	419,775.72	-	434,068.75	434,068.75	1,574,083.75
12/01/2034	47,925	14,293.03	62,218.03	667,075	419,775.72	1,086,850.72	715,000	434,068.75	1,149,068.75	-
06/01/2035	-	13,514.25	13,514.25	-	408,935.75	408,935.75	-	422,450.00	422,450.00	1,571,518.75
12/01/2035	49,546	13,514.25	63,060.25	690,454	408,935.75	1,099,389.75	740,000	422,450.00	1,162,450.00	-
06/01/2036	-	12,671.97	12,671.97	-	397,198.03	397,198.03	-	409,870.00	409,870.00	1,572,320.00
12/01/2036	51,299	12,671.97	63,970.97	808,701	397,198.03	1,205,899.03	860,000	409,870.00	1,269,870.00	-
06/01/2037	-	11,761.41	11,761.41	-	382,843.59	382,843.59	-	394,605.00	394,605.00	1,664,475.00
12/01/2037	53,180	11,761.41	64,941.41	836,820	382,843.59	1,219,663.59	890,000	394,605.00	1,284,605.00	-
06/01/2038	-	10,790.87	10,790.87	-	367,571.63	367,571.63	-	378,362.50	378,362.50	1,662,967.50
12/01/2038	55,200	10,790.87	65,990.87	869,800	367,571.63	1,237,371.63	925,000	378,362.50	1,303,362.50	-
06/01/2039	-	9,742.07	9,742.07	-	351,045.43	351,045.43	-	360,787.50	360,787.50	1,664,150.00
12/01/2039	57,367	9,742.07	67,109.07	902,633	351,045.43	1,253,678.43	960,000	360,787.50	1,320,787.50	-
06/01/2040	-	8,623.42	8,623.42	-	333,444.08	333,444.08	-	342,067.50	342,067.50	1,662,855.00
12/01/2040	59,755	8,623.42	68,378.42	940,245	333,444.08	1,273,689.08	1,000,000	342,067.50	1,342,067.50	-
06/01/2041	-	7,353.62	7,353.62	-	313,463.88	313,463.88	-	320,817.50	320,817.50	1,662,885.00
12/01/2041	62,382	7,353.62	69,735.62	982,618	313,463.88	1,296,081.88	1,045,000	320,817.50	1,365,817.50	-
06/01/2042	-	5,996.81	5,996.81	-	292,091.94	292,091.94	-	298,088.75	298,088.75	1,663,906.25
12/01/2042	65,189	5,996.81	71,185.81	1,124,811	292,091.94	1,416,902.94	1,190,000	298,088.75	1,488,088.75	-
06/01/2043	-	4,546.36	4,546.36	-	267,064.89	267,064.89	-	271,611.25	271,611.25	1,759,700.00
12/01/2043	68,191	4,546.36	72,737.36	1,176,809	267,064.89	1,443,873.89	1,245,000	271,611.25	1,516,611.25	-
06/01/2044	-	2,995.01	2,995.01	-	240,292.49	240,292.49	-	243,287.50	243,287.50	1,759,898.75
12/01/2044	71,403	2,995.01	74,398.01	1,143,597	240,292.49	1,383,889.49	1,215,000	243,287.50	1,458,287.50	-
06/01/2045	-	1,334.89	1,334.89	-	213,703.86	213,703.86	-	215,038.75	215,038.75	1,673,326.25
12/01/2045	56,804	1,334.89	58,138.89	1,198,196	213,703.86	1,411,899.86	1,255,000	215,038.75	1,470,038.75	-
06/01/2046	-	-	-	-	185,546.25	185,546.25	-	185,546.25	185,546.25	1,655,585.00
12/01/2046	-	-	-	1,255,000	185,546.25	1,440,546.25	1,255,000	185,546.25	1,440,546.25	-
06/01/2047	-	-	-	-	155,740.00	155,740.00	-	155,740.00	155,740.00	1,596,286.25
12/01/2047	-	-	-	1,315,000	155,740.00	1,470,740.00	1,315,000	155,740.00	1,470,740.00	-
06/01/2048	-	-	-	-	124,180.00	124,180.00	-	124,180.00	124,180.00	1,594,920.00
12/01/2048	-	-	-	1,385,000	124,180.00	1,509,180.00	1,385,000	124,180.00	1,509,180.00	-
06/01/2049	-	-	-	-	90,593.75	90,593.75	-	90,593.75	90,593.75	1,599,773.75
12/01/2049	-	-	-	1,450,000	90,593.75	1,540,593.75	1,450,000	90,593.75	1,540,593.75	-
06/01/2050	-	-	-	-	55,068.75	55,068.75	-	55,068.75	55,068.75	1,595,662.50
12/01/2050	-	-	-	2,225,000	55,068.75	2,280,068.75	2,225,000	55,068.75	2,280,068.75	2,280,068.75
Total	\$1,033,946	\$480,702.68	\$1,514,648.68	\$23,666,054	\$16,521,294.30	\$40,187,348.30	\$24,700,000	\$17,001,996.98	\$41,701,996.98	\$41,701,996.98

*Board of Education of Edmonson County  
General Obligation Bonds, Series of 2025*

ESTIMATED DISTRICT TOTAL DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 6/30	Existing Restricted Fund Debt Service	Series of 2025			New Total Restricted Fund Debt Service	Existing General Fund Debt Service	New Total Debt Service
		Principal	Interest	Total P+I			
2026	\$715,600.85	-	\$447,602.20	\$447,602.20	\$1,163,203.05	\$168,891.10	\$1,332,094
2027	865,617.68	\$532,113	969,003.99	1,501,116.99	2,366,734.67	173,944.20	\$2,540,679
2028	868,311.19	541,018	953,711.88	1,494,729.88	2,363,041.07	179,148.54	\$2,542,190
2029	865,052.19	559,901	938,163.76	1,498,064.76	2,363,116.95	184,508.24	\$2,547,625
2030	865,981.57	578,763	922,222.46	1,500,985.46	2,366,967.03	190,028.22	\$2,556,995
2031	865,659.99	592,581	905,675.50	1,498,256.50	2,363,916.49	195,714.18	\$2,559,631
2032	864,527.87	611,332	888,214.08	1,499,546.08	2,364,073.95	201,570.58	\$2,565,645
2033	867,171.38	630,002	869,589.41	1,499,591.41	2,366,762.79	207,601.66	\$2,574,364
2034	868,833.51	648,585	849,766.66	1,498,351.66	2,367,185.17	213,813.44	\$2,580,999
2035	868,862.86	667,075	828,711.47	1,495,786.47	2,364,649.33	220,211.68	\$2,584,861
2036	867,393.65	690,454	806,133.78	1,496,587.78	2,363,981.43	226,800.88	\$2,590,782
2037	779,058.05	808,701	780,041.62	1,588,742.62	2,367,800.67	233,587.94	\$2,601,389
2038	778,995.91	836,820	750,415.22	1,587,235.22	2,366,231.13	240,578.64	\$2,606,810
2039	778,853.59	869,800	718,617.06	1,588,417.06	2,367,270.65	247,777.90	\$2,615,049
2040	778,855.89	902,633	684,489.51	1,587,122.51	2,365,978.40	255,193.58	\$2,621,172
2041	778,877.51	940,245	646,907.96	1,587,152.96	2,366,030.47	262,830.70	\$2,628,861
2042	778,521.78	982,618	605,555.82	1,588,173.82	2,366,695.60	270,696.36	\$2,637,392
2043	682,156.26	1,124,811	559,156.83	1,683,967.83	2,366,124.09	-	\$2,366,124
2044	681,037.50	1,176,809	507,357.38	1,684,166.38	2,365,203.88	-	\$2,365,204
2045	683,000.00	1,143,597	453,996.35	1,597,593.35	2,280,593.35	-	\$2,280,593
2046	682,500.00	1,198,196	399,250.11	1,597,446.11	2,279,946.11	-	\$2,279,946
2047	680,750.00	1,255,000	341,286.25	1,596,286.25	2,277,036.25	-	\$2,277,036
2048	682,750.00	1,315,000	279,920.00	1,594,920.00	2,277,670.00	-	\$2,277,670
2049	678,250.00	1,385,000	214,773.75	1,599,773.75	2,278,023.75	-	\$2,278,024
2050	682,500.00	1,450,000	145,662.50	1,595,662.50	2,278,162.50	-	\$2,278,163
2051	-	2,225,000	55,068.75	2,280,068.75	2,280,068.75	-	\$2,280,069
Total	\$19,509,119.23	\$23,666,054	\$16,521,294.30	\$40,187,348.30	\$59,696,467.53	\$3,672,897.84	\$63,369,365.37

**APPENDIX E**

**Board of Education of Edmonson County, Kentucky**

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**Audited Financial Statement as of the Fiscal Year Ended June 30, 2024**





# Edmonson County School District

## FINANCIAL STATEMENTS

June 30, 2024

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<b>Join Our Conversation</b>	



# REPORT



## **Independent Auditor's Report**

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Edmonson County School District  
Brownsville, Kentucky

## **Report on the Audit of the Financial Statements**

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Edmonson County School District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and select pension/OPEB information on pages 5 through 19 and 77 through 92 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024 on our consideration of Edmonson County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC  
Bowling Green, Kentucky  
November 14, 2024



# FINANCIAL STATEMENTS



**EDMONSON COUNTYBOARD OF EDUCATION  
BROWNSVILLE, KENTUCKY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2024**

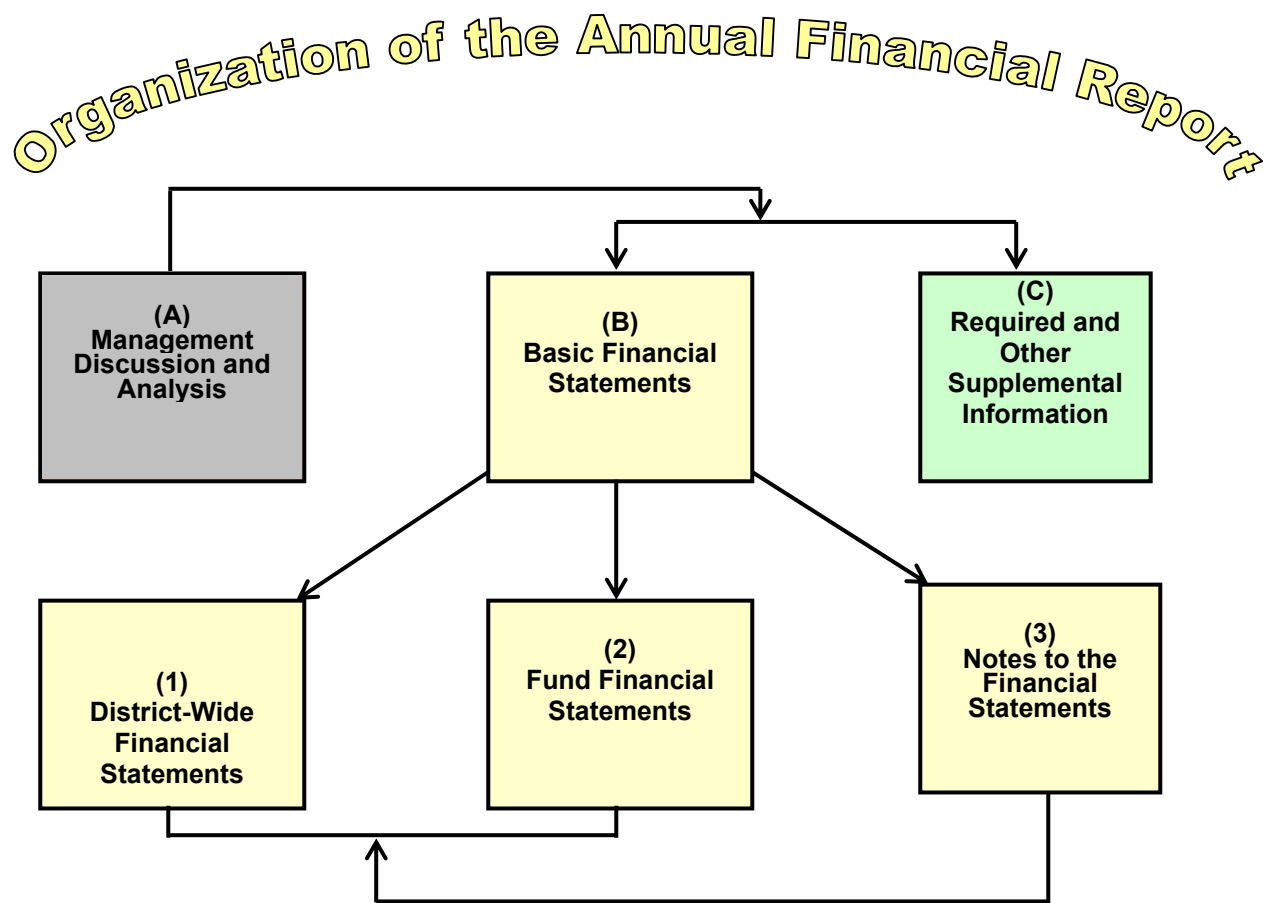
As management of the Edmonson County School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

**FINANCIAL HIGHLIGHTS**

- The beginning General Fund balance for the district was \$2,842,445. The ending General Fund balance was \$2,974,386, for an increase in fund balance of \$131,941. The ending general fund balance is 16% of total General Fund expenditures, which well exceeds the state minimum contingency of 2%.
- General Fund revenues accounted for \$18,123,942 in revenue or 67% of all governmental revenues. Program specific revenues in the form of grants and contributions accounted for \$5,109,782, or 18.0% of total governmental revenues of \$27,037,830.
- The school district had \$24,976,774 in expenses related to governmental activities; approximately \$5,109,782 of these expenses are offset by program specific charges for services, grants, and contributions. General revenues (primarily local taxes and state SEEK allocations) contributed \$21,928,048, which produced an increase in net position of \$2,061,056.
- The state SEEK formula provided \$7,413,809 in General Fund revenue, which was \$529,404 less than the previous fiscal year. The primary difference is due to the average attendance calculation, which has been held to 2018-2019 levels since the onset of the worldwide pandemic, being reverted to actuals. The District has experienced a dramatic decrease in Average Daily Attendance since that time. The base SEEK funding increased from \$4,200 in 2023 to \$4,328 in 2024, but it was not enough to offset the steep decline in actual attendance.
- The Food Service Fund, a proprietary fund, ended fiscal year 2024 with unrestricted fund net position of (\$691,436) for a decrease of \$33,086 versus fiscal year 2023.

## Overview of the Annual Financial Report (AFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Edmonson County School District as a financial whole, an entire operating entity, in a manner similar to a private-sector business. The annual report consists of three parts: (A) management's discussion and analysis (this section), (B) the basic financial statements and notes, and (C) required and other supplemental information. The statements then proceed to provide an increasingly detailed look at specific financial activities. The District's basic financial statements comprise three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.



The District-Wide Financial Statements have two sections (1) the *Statement of Net Position* and (2) the *Statement of Activities*. The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The District-Wide Financial Statements can be found on pages 20 through 23 of this report. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column. The fund financial statements can be found on pages 24 through 32 of this report.

## Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 76 of this report.

### Reporting the School District as a Whole

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

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

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

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

Net position may serve over time as a useful indicator of a government’s financial position. Deferred outflows due to debt refunding were \$14,530. In addition, the District recognized deferred outflows related to pensions and OPEB of \$4,664,641 and deferred inflows related to pensions and OPEB of \$6,414,921. Net pension and OPEB liability was recognized of \$8,676,774 for governmental activities and \$908,149 for business-type activities for a total of \$9,584,923. As a result of this liability recognition, the net position of the District was \$18,452,901 as of June 30, 2024, which was an increase of \$2,027,770 versus the previous year.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The amount of capital assets, net of related debt was \$13,789,928 (a decrease of \$739,996 versus the previous year). The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

### Reporting the School District's Most Significant Funds

#### Fund Financial Statements

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

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

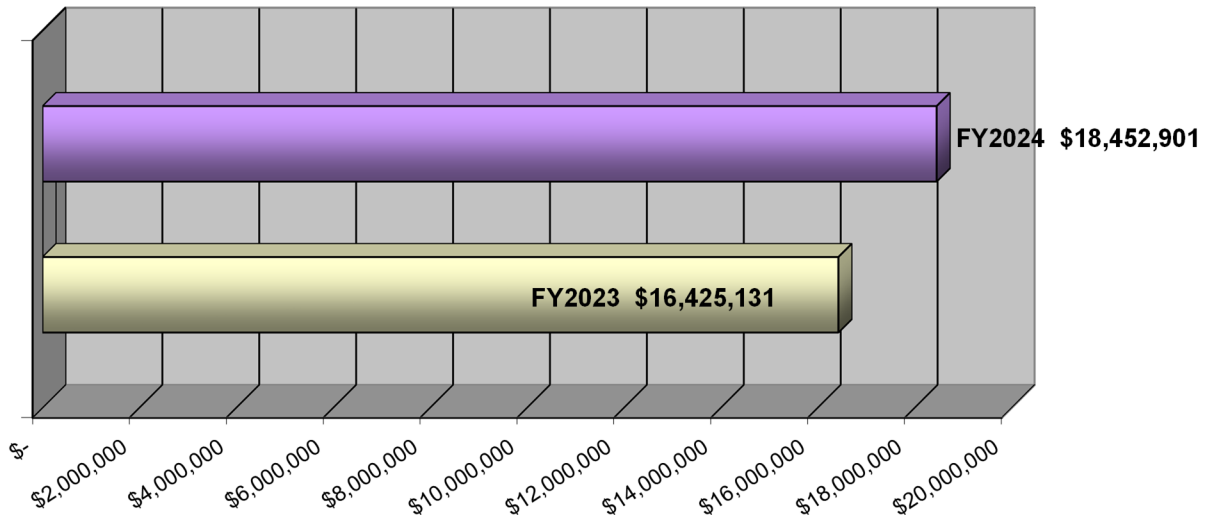
**Proprietary Funds** - Proprietary funds use the same basis of accounting as business-type activities; therefore, the statements for the proprietary fund will essentially match. The School District's proprietary funds consist of food service operations and day care services.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

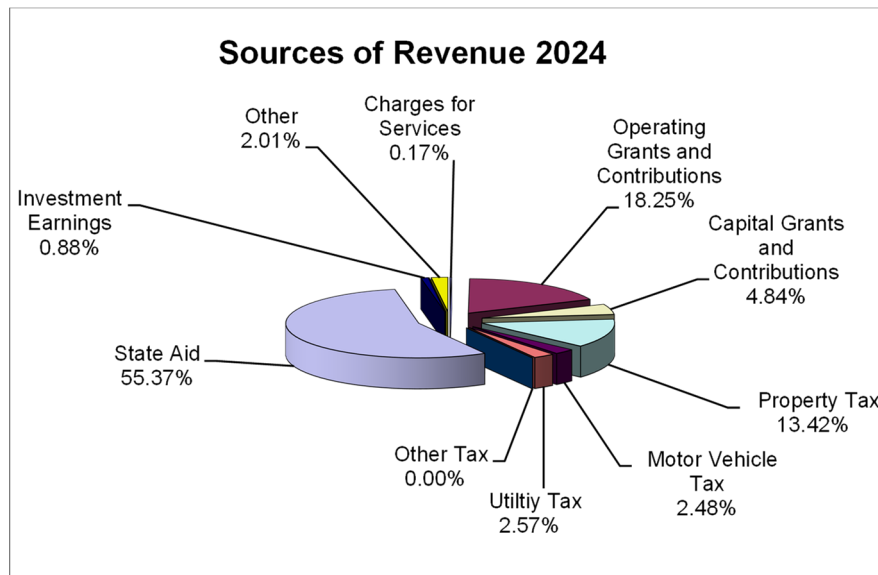
Net Position for June 30, 2023 and June 30, 2024

	Governmental Activities		Proprietary Business-Type Activities		District Total		Total District % Change
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	
Current and Other Assets	\$ 16,050,877	\$ 11,848,695	\$ 336,933	\$ 281,632	\$ 16,387,810	\$ 12,130,327	-26.0%
Capital Assets	24,540,242	29,317,310	90,503	101,521	24,630,745	29,418,831	19.4%
<b>Total Assets</b>	<b>40,591,119</b>	<b>41,166,005</b>	<b>427,436</b>	<b>383,153</b>	<b>41,018,555</b>	<b>41,549,158</b>	<b>1.3%</b>
Deferred loss on debt refunding	37,775	14,530	-	-	37,775	14,530	-61.5%
OPEB related	3,381,647	2,527,723	128,269	100,526	3,509,916	2,628,249	-25.1%
Pension related	1,516,779	1,759,760	229,221	276,632	1,746,000	2,036,392	16.6%
<b>Total Deferred Outflows of Resources</b>	<b>4,936,201</b>	<b>4,302,013</b>	<b>357,490</b>	<b>377,158</b>	<b>5,293,691</b>	<b>4,679,171</b>	<b>-11.6%</b>
Long Term Liabilities	11,039,066	10,070,703	-	-	11,039,066	10,070,703	-8.8%
Net OPEB Liability	6,071,681	2,899,691	255,539	-	6,327,220	2,899,691	-54.2%
Net Pension Liability	6,194,179	5,777,083	936,086	908,149	7,130,265	6,685,232	-6.2%
Other Liabilities	1,472,427	1,704,421	-	460	1,472,427	1,704,881	15.8%
<b>Total Liabilities</b>	<b>24,777,353</b>	<b>20,451,898</b>	<b>1,191,625</b>	<b>908,609</b>	<b>25,968,978</b>	<b>21,360,507</b>	<b>-17.7%</b>
OPEB related	2,865,862	4,591,171	139,940	351,391	3,005,802	4,942,562	64.4%
Pension related	792,560	1,272,348	119,775	200,011	912,335	1,472,359	61.4%
<b>Total Deferred Inflows of Resources</b>	<b>3,658,422</b>	<b>5,863,519</b>	<b>259,715</b>	<b>551,402</b>	<b>3,918,137</b>	<b>6,414,921</b>	<b>63.7%</b>
Investment in Capital Assets (net of debt)	14,439,421	13,707,941	90,503	81,987	14,529,924	13,789,928	-5.1%
Restricted	11,489,537	13,300,174	-	-	11,489,537	13,300,174	15.8%
Unrestricted Fund	(8,837,413)	(7,855,514)	(756,917)	(781,687)	(9,594,330)	(8,637,201)	-10.0%
<b>Total Net Position</b>	<b>\$ 17,091,545</b>	<b>\$ 19,152,601</b>	<b>\$ (666,414)</b>	<b>\$ (699,700)</b>	<b>\$ 16,425,131</b>	<b>\$ 18,452,901</b>	<b>12.35%</b>

### ECBOE Net Position (increased by 10.95% or \$2,061,056)



Revenues	Governmental Activities		Proprietary Business-Type Activities		District Total		District Total % Change
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	
Program Revenues							
Charges for Services	\$ 4,600	\$ 3,180	\$ 53,678	\$ 45,134	\$ 58,278	\$ 48,314	-17.1%
Operating Grants and Contributions	4,736,928	3,725,206	1,530,703	1,482,373	6,267,631	5,207,579	-16.9%
Capital Grants and Contributions	11,234,658	1,381,396	-	-	11,234,658	1,381,396	-87.7%
General Revenue							
Taxes							
Property Tax	3,470,931	3,829,500	-	-	3,470,931	3,829,500	10.3%
Motor Vehicle Tax	680,033	708,366	-	-	680,033	708,366	4.2%
Utility Tax	718,091	734,233	-	-	718,091	734,233	2.2%
Other Tax	-	-	-	-	-	-	-
State Aid	12,100,663	15,796,124	-	-	12,100,663	15,796,124	30.5%
Investment Earnings	129,267	233,468	10,539	17,925	139,806	251,393	79.8%
Gain on disposal of Assets	-	-	-	-	-	-	-
Transfers	(44,538)	53,994	44,538	(53,994)	-	-	-
Other	560,549	572,363	-	-	560,549	572,363	2.1%
<b>Total Revenues</b>	<b>\$ 33,591,182</b>	<b>\$ 27,037,830</b>	<b>\$ 1,639,458</b>	<b>\$ 1,491,438</b>	<b>\$ 35,230,640</b>	<b>\$ 28,529,268</b>	<b>-19.0%</b>

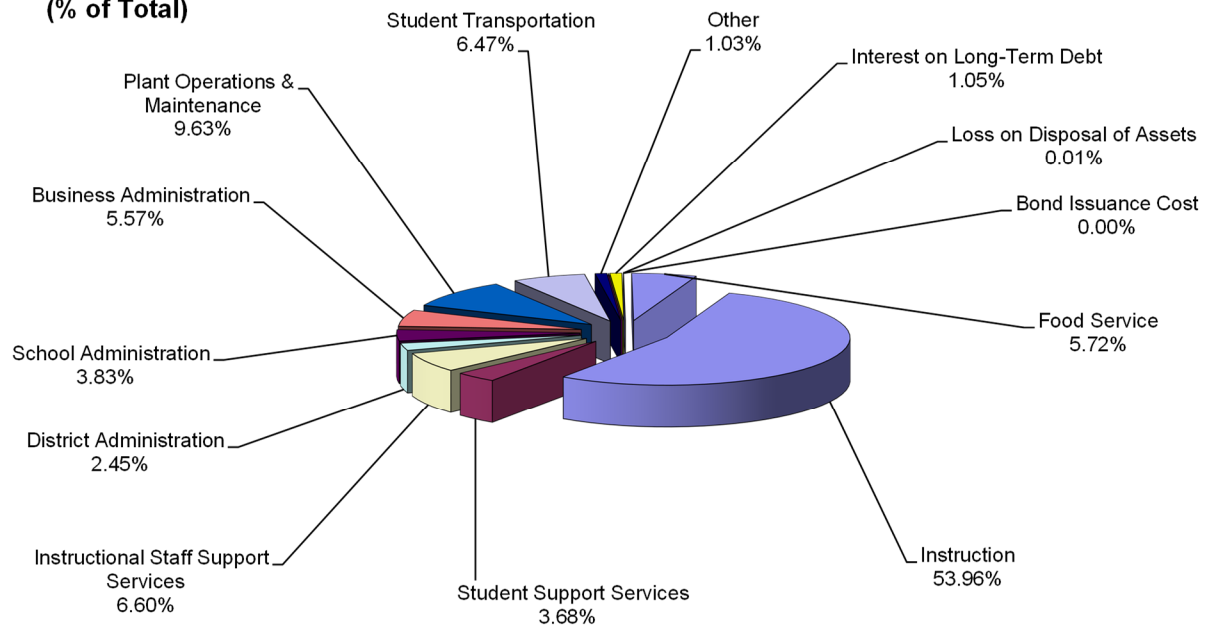




Expenses	Governmental Activities		Proprietary Business-Type Activities		District Total		District Total % Change
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	
Instruction	\$ 12,519,108	\$ 14,301,522	\$ -	\$ -	\$ 12,519,108	\$ 14,301,522	14.2%
Support Services							
Student Support Services	918,273	976,465	-	-	918,273	976,465	6.3%
Instructional Staff	911,134	1,749,442	-	-	911,134	1,749,442	92.0%
District Administration	713,222	648,482	-	-	713,222	648,482	-9.1%
School Administration	1,080,846	1,014,074	-	-	1,080,846	1,014,074	-6.2%
Business Administration	673,955	1,477,398	-	-	673,955	1,477,398	119.2%
Plant Operations & Maintenance	2,467,079	2,551,930	-	-	2,467,079	2,551,930	3.4%
Student Transportation	1,835,332	1,713,914	-	-	1,835,332	1,713,914	-6.6%
Other	366,385	262,728	8,998	9,333	375,383	272,061	-27.5%
Building Improvement	-	-	-	-	-	-	-
Interest on Long-Term Debt	265,622	278,122	-	-	265,622	278,122	4.7%
Loss on Disposal of Assets	60	2,697	-	-	60	2,697	4395.0%
Bond Issuance Cost	47,141	-	-	-	47,141	-	-100.0%
Food Service	-	-	1,375,172	1,515,391	1,375,172	1,515,391	10.2%
<b>Total Expenses</b>	<b>\$ 21,798,157</b>	<b>\$ 24,976,774</b>	<b>\$ 1,384,170</b>	<b>\$ 1,524,724</b>	<b>\$ 23,182,327</b>	<b>\$ 26,501,498</b>	<b>14.3%</b>

## Expenses 2024

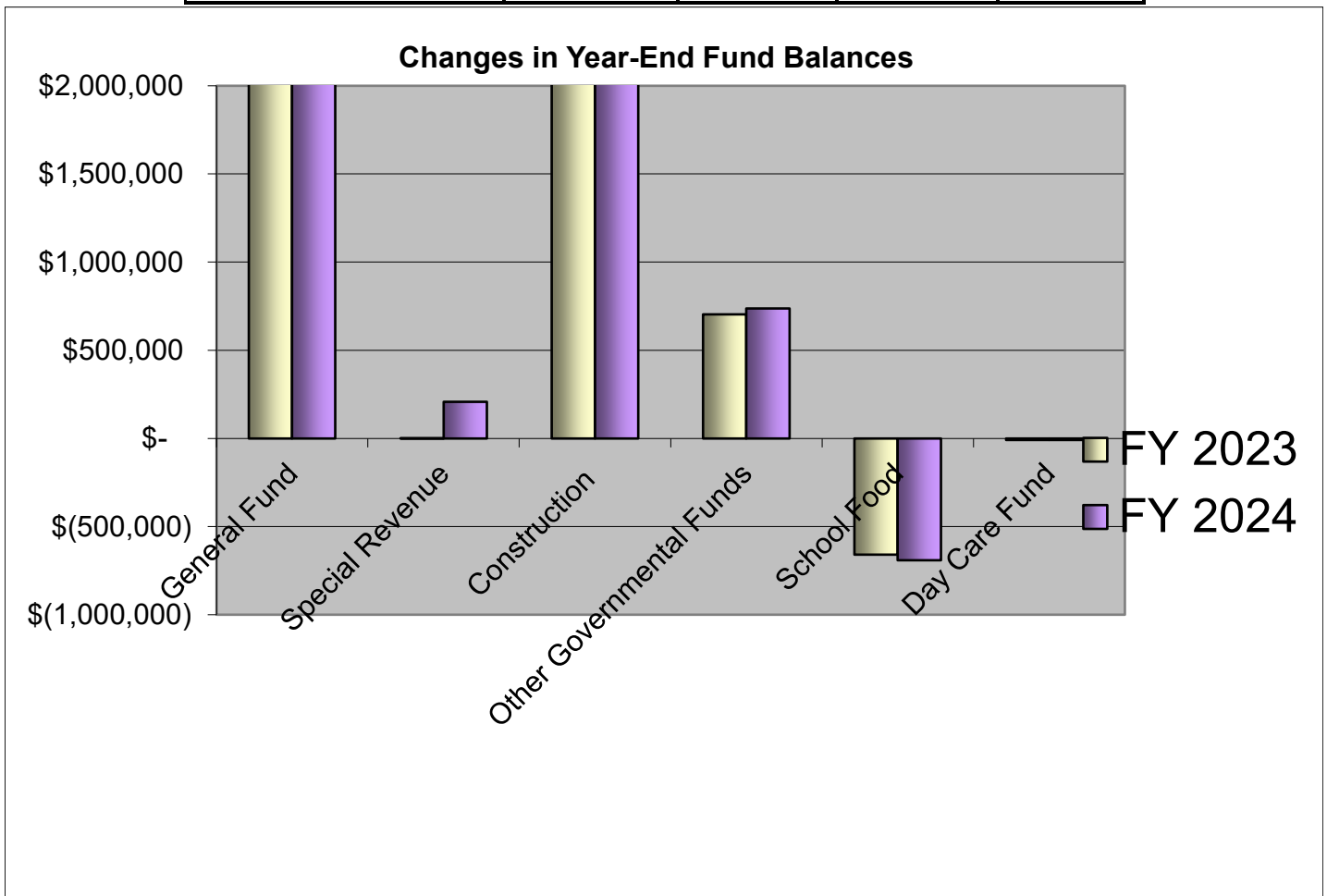
(% of Total)



- The District's total revenues were \$28,529,268 and the total expenses were \$26,501,498. Revenues exceeded expenses by \$2,027,770.
- State revenues accounted for 55% and local taxes accounted for 18% of the revenue.
- Instruction was the major expense category and accounted for 54% of the total.
- Proprietary expenditures exceeded revenues by \$33,286 and Governmental revenues exceeded expenditures by \$2,061,056.

### Financial Analysis of the District Fund Balances

Changes in End-of-Year Fund Balances	FY 2023	FY 2024	Amount of Change	% Change
General Fund	\$ 2,842,445	\$ 2,974,386	\$ 131,941	4.6%
Special Revenue	2,056	207,744	205,688	10004.3%
Construction	11,101,035	6,291,742	(4,809,293)	-43.3%
Other Governmental Funds	704,337	737,926	33,589	4.8%
School Food	(658,350)	(691,436)	(33,086)	5.0%
Day Care Fund	(8,064)	(8,264)	(200)	2.5%
<b>Total</b>	<b>\$ 13,983,459</b>	<b>\$ 9,512,098</b>	<b>\$ (4,471,361)</b>	<b>-32.0%</b>



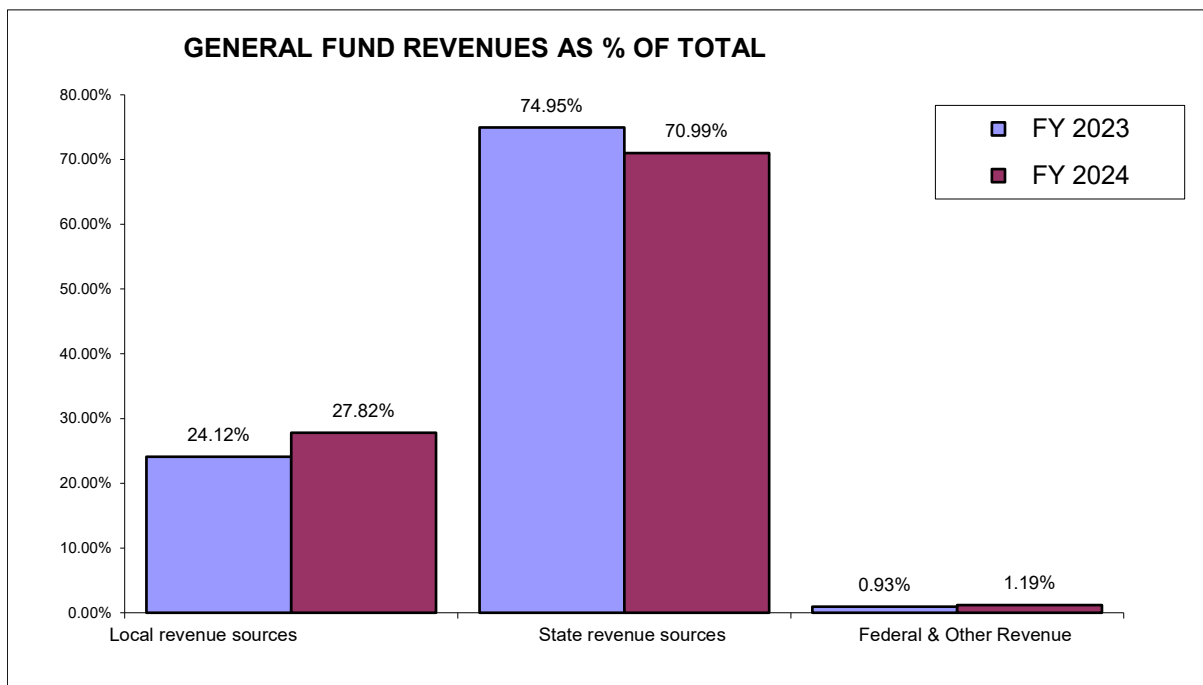
- The General Fund's fund balance increased by \$131,941.
- The Special Revenue fund increased by \$205,688.
- The Construction Fund's fund balance decreased by \$4,809,293 due to the receipt of the funds for the Vocational Center addition to the High School.
- The School Food Service (deficit) fund balance of (\$691,436) at the end of the year reflects an decrease in the total fund balance of \$33,086.
- The Day Care Service fund ended FY 2024 with fund balance of (\$8,264) resulting from a decrease in net position of \$200.

### **Comments on General Fund and Special Revenue Budget Comparisons**

- The District's General Fund total revenues for the fiscal year ended June 30, 2024 were \$18,123,942. This is \$163,554 less than was budgeted in the final working budget. This variance is attributable to the less than budgeted amount of On-Behalf funds received from the State, for a total difference of \$594,600. The remaining difference is offset by higher than budgeted receipts from the various local tax sources.
- General fund actual revenue varied widely in several line items with the ending actual fund revenue being \$1,049,455 less than the prior year. State funds to the general fund decreased by \$1,504,684. This is primarily due to the state SEEK decrease of \$529,404, which was realized due to a dramatic drop in the average daily attendance for the District. The General Fund also had \$222,595 in transfers from the Capital Outlay fund to cover property insurance, buses and various maintenance expenses.
- Instructional expenditures were \$702,915 less than budget due primarily due to on behalf benefit expenditures being \$274,858 less than budgeted and salaries expense being \$392,275 less than budgeted. The other line items had varying increases and decreases that are in line with usual budget variances.
- General Fund expenditures decreased over prior year actuals by significant amounts across several spending areas. The areas which saw the most decrease were Salaries and Benefits, which were cut due to a change in staffing allocations and student enrollment.
- The Special Revenue Fund budget compared to actual will always differ slightly because the state budget report only shows current fiscal year grant awards. The Special Revenue expenditures will include current year grant expenditures and previous year grant expenditures that were not completed at the end of the previous year. Also, the District received three federal grants to help offset the costs of operating in a global pandemic and to make preparations to mitigate any further closures. These are one time awards that are expected to last through fiscal year 2024.

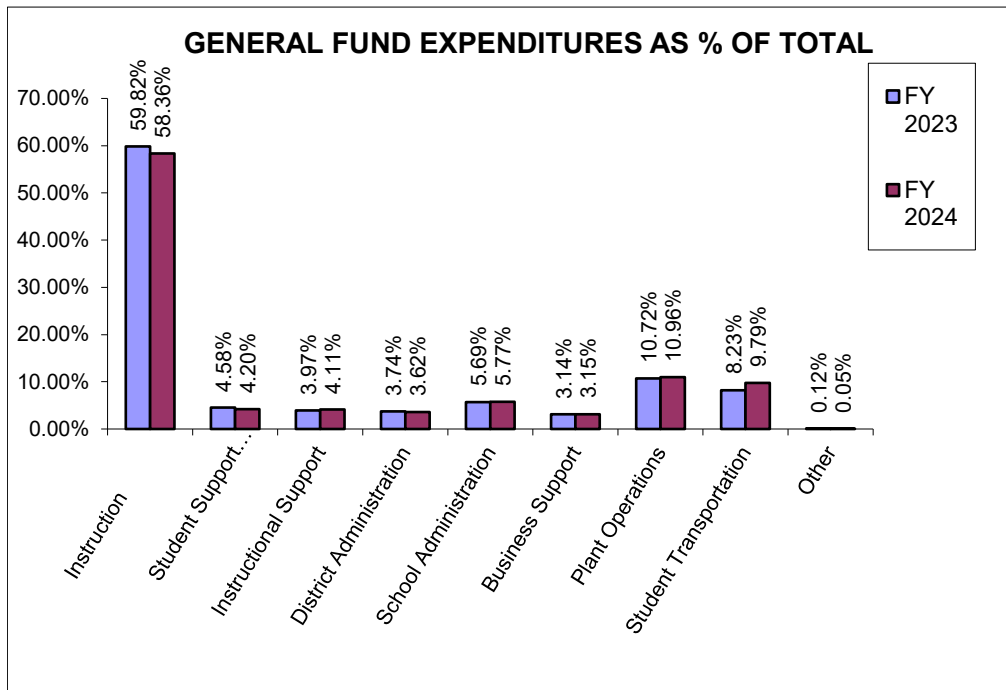
The following tables present a summary of revenue and expenditures of the General Fund for the fiscal year ended June 30, 2024.

<b>General Fund Revenues</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Revenue Sources:</b>	<b>\$ 4,624,591</b>	<b>\$ 5,041,181</b>
Taxes:		
<i>Property</i>	3,026,829	3,327,079
<i>Motor Vehicle</i>	680,033	708,366
<i>Utilities</i>	718,091	734,233
Earnings on Investment	112,266	205,130
Other Local Revenue	87,372	66,373
<b>State Revenue Sources</b>	<b>14,371,111</b>	<b>12,866,427</b>
<b>Federal Revenue</b>	<b>177,695</b>	<b>216,334</b>
<b>Total Revenues</b>	<b>\$ 19,173,397</b>	<b>\$ 18,123,942</b>



The majority of General Fund revenue was derived from state funding (71%), with local revenue sources making up 28% of the total.

<b>General Fund Expenditures</b>	<b>FY 2023</b>	<b>FY 2024</b>
Instruction	\$ 11,332,059	\$ 10,533,274
Support Services		
Student Support Services	867,336	757,883
Instructional Support	751,709	741,287
District Administration	707,669	652,624
School Administration	1,078,342	1,040,717
Business Support	594,150	569,098
Plant Operations	2,030,813	1,977,267
Student Transportation	1,558,272	1,767,036
Other	23,594	8,528
Total Expenditures	\$ 18,943,944	\$ 18,047,714
Excess of Revenue over Expenditures	229,453	76,228
Operating Transfers	82,687	55,713
<b>Net Change in Fund Balance</b>	<b>\$ 312,140</b>	<b>\$ 131,941</b>



Revenues in Excess of Expenditures	\$ 76,228
Operating Transfers	\$ 55,713
Net Change in Fund Balance	\$131,941

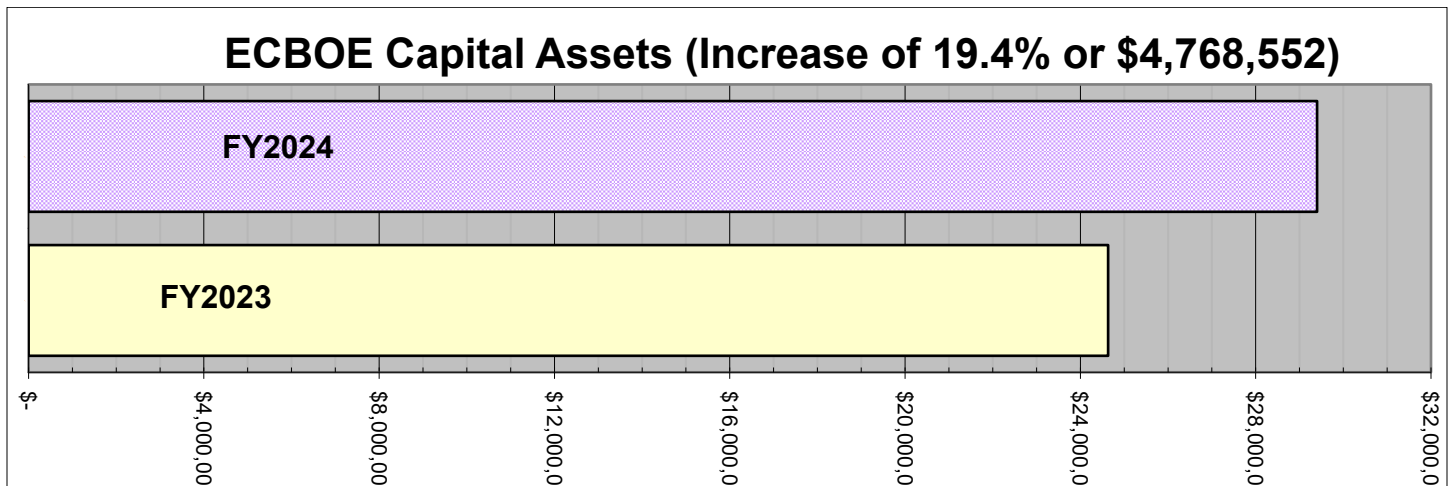
## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

By June 30, 2024, the district had invested \$29,399,297 in capital assets. This included land, school buildings, athletic facilities, maintenance facilities, computer equipment and administrative offices and construction in process. The cumulative total initial cost of assets was \$46,024,445 with accumulated depreciation of \$23,169,489.

### SUMMARY OF CAPITAL ASSETS

CAPITAL ASSETS (net of depreciation)	Governmental Activities		Proprietary Business-Type Activities		District Total		Total District % Change
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	2023-2024
Land & Land Improvements	\$ 433,847	\$ 421,804	\$ -	\$ -	\$ 433,847	\$ 421,804	-2.8%
Buildings	21,987,003	21,157,072	-	-	21,987,003	21,157,072	-3.8%
Construction Work in Process	869,723	6,129,565	-	-	-	-	0.0%
Equipment & Furniture	1,249,669	1,608,869	90,503	81,987	1,340,172	1,690,856	26.2%
<b>Total Assets</b>	<b>\$ 24,540,242</b>	<b>\$ 29,317,310</b>	<b>\$ 90,503</b>	<b>\$ 81,987</b>	<b>\$ 24,630,745</b>	<b>\$ 29,399,297</b>	<b>19.4%</b>

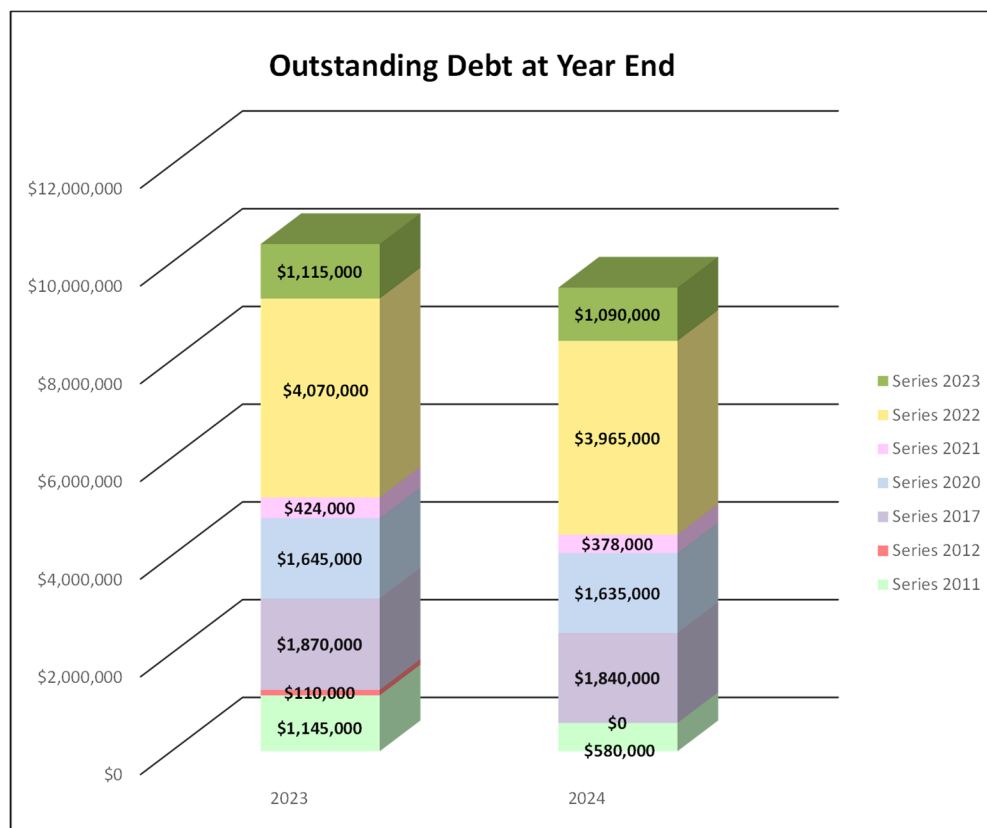


## Long-Term Debt

At year-end, the district had \$9,488,000 in general obligation bonds outstanding. General obligation debt decreased significantly due to some bonds nearing maturity and the principle amounts .

### Outstanding Debt at Year End

		Par Amount	Governmental Activities 2023	Governmental Activities 2024
<b>General Obligation Bonds:</b>				
Series 2023	LAVEC High School Addition	\$1,115,000	\$1,115,000	\$1,090,000
Series 2022	Guaranteed Energy Savings Contract Project	\$4,170,000	\$4,070,000	\$3,965,000
Series 2021	Bond Refunding 2011 Series	\$515,000	\$424,000	\$378,000
Series 2020	District Wide Renovations Phase 2	\$1,705,000	\$1,645,000	\$1,635,000
Series 2017	District Wide Restroom and Facility Renovations	\$2,055,000	\$1,870,000	\$1,840,000
Series 2011	Edmonson County High School Refunding Renovation/Addition	\$5,280,000	\$1,145,000	\$580,000
Series 2012	Edmonson County 5/6 Center & Kyrock Elem. Renov. Refunding	\$1,055,000	\$110,000	\$0
<b>TOTAL</b>		<b>\$15,895,000</b>	<b>\$10,105,000</b>	<b>\$9,488,000</b>



## **BUDGETARY IMPLICATIONS**

It is extremely important that the district continue to budget very conservatively. The district receives approximately 70% of its new general fund revenue each year through the state funding formula (SEEK). On occasions, there have been adjustments that caused a very significant decrease in the funding. The SEEK forecasts from the state should be considered only an estimate of state revenue. If the state does not get the revenue from taxing sources, an adjustment will be made to the funding formula. The district should always be prepared for such reductions in funding.

Approximately 18% of the general fund revenue is from local property tax. The major portion of the tax revenue does not come to the district until the sixth through eighth months. This means the general fund's beginning fund balance must be used to absorb much of the first four months of expenditures. Provisions must always be made to have a significant fund beginning balance to start each year. The district has an ending fund balance of \$2,974,386 of the total general fund budget as a beginning balance for next year.

By law, the budget must have a minimum 2% contingency. The district adopted a budget with \$2,326,970 in total contingency (11) for fiscal year 2025. The beginning general fund balance for the 2024 fiscal year was \$2,842,445. Significant Board action that impacts finances include rising salary costs, additional spending on students with special needs, increased building operations and maintenance costs associated with maintenance of facilities, general fund matching dollars for the state KETS grant, and the increasing general fund bond payment schedule for the Guaranteed Energy Savings Project. The district currently participates in 27 federal and state grants. The total budget for these grants is \$2,850,983. Additionally, the federal ESSER emergency funding grants totaling \$6,256,200 is a factor through fiscal year 2024. Many of these grants are funded on a reimbursement basis. This requires the district to pay the expenses of the grant and then apply for reimbursement. The district must continue to monitor the grants constantly and get reimbursements in a timely manner. The district must also maintain a significant cash balance in order to pay the expenses of these grants while waiting for reimbursements.

## **DISTRICT CHALLENGES FOR THE FUTURE**

The primary challenges for the Edmonson County School District are to continue to build and develop our educational programs, integrate technology into our curriculum, and continue to update and modernize our existing facilities. However, our greatest challenge is the ability to attract and retain staff, given the shallow staff pool that exists and our lack of strong tax base in comparison to surrounding districts. While we were able to give a small salary increase for the 24-25 school year, this is our greatest challenge going forward.

The Edmonson County School District has a role to educate our students to the fullest ability to create an environment of trained, educated, and knowledgeable citizens. As our district continues to focus on graduating students who are Transition Ready, we need to increase our focus by making improvements in our content presentation by utilizing research based curriculum, technology, and professional development focusing on improving the art of teaching. The primary concerns for addressing these three areas are the expense of staying updated and current with facilities, technology curriculum and funding.



The district completed the Edmonson County District Facility Plan in the past year, which included a plan for a replacement of Kyrock Elementary School and renovation of South Edmonson Elementary. There are always concerns in this area with keeping our current facilities in top operational condition and continuing to make plans for updating throughout the district with limited funding.

The Edmonson County School District has experienced decreases in student population over the past four years, which has led to a decrease in state funding that hinders the district in many areas. The District passed a recallable nickel tax in tax year 2023 to be collected beginning with tax year 2024 that will bring in extra funds to allow for upgrades in our construction and facilities. Our challenge is working with all stakeholders involved to maximize all resources and streamline programs to ensure resources are available and can be utilized to meet the needs of all students.

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or requests for additional information should be directed to Tiffany Carroll, Chief Financial Officer, (270) 597-2101, 100 Wildcat Way, P O Box 129, Brownsville, KY 42210 or e-mail to [tiffany.carroll@edmonson.kyschools.us](mailto:tiffany.carroll@edmonson.kyschools.us).

**Edmonson County School District**  
**Statement of Net Position**

<i>June 30, 2024</i>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 10,482,846	\$ 138,877	\$ 10,621,723
Accounts receivable:			
Taxes	138,337	-	138,337
Intergovernmental	1,219,248	127,179	1,346,427
Internal balances	8,264	(8,264)	-
Inventory	-	23,840	23,840
Non-depreciable capital assets	6,462,354	-	6,462,354
Depreciable capital assets	46,024,445	557,469	46,581,914
Less: accumulated depreciation	(23,169,489)	(475,482)	(23,644,971)
Net OPEB asset	-	19,534	19,534
<b>Total assets</b>	<b>41,166,005</b>	<b>383,153</b>	<b>41,549,158</b>
<b>Deferred Outflows of Resources</b>			
Deferred loss on debt refundings	14,530	-	14,530
OPEB related	2,527,723	100,526	2,628,249
Pension related	1,759,760	276,632	2,036,392
<b>Total deferred outflows of resources</b>	<b>4,302,013</b>	<b>377,158</b>	<b>4,679,171</b>
<b>Liabilities</b>			
Accounts payable	300,887	460	301,347
Accrued liabilities	668,686	-	668,686
Unearned revenue	667,324	-	667,324
Accrued interest	67,524	-	67,524
Long-term obligations:			
Due within one year:			
Outstanding bonds	802,000	-	802,000
Compensated absences	96,767	-	96,767
Due beyond one year:			
Outstanding bonds	8,692,334	-	8,692,334
Compensated absences	479,602	-	479,602
Net OPEB liability	2,899,691	-	2,899,691
Net pension liability	5,777,083	908,149	6,685,232
<b>Total liabilities</b>	<b>20,451,898</b>	<b>908,609</b>	<b>21,360,507</b>

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

**Edmonson County School District**  
**Statement of Net Position**

<i>June 30, 2024</i>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources</b>			
OPEB related	4,591,171	351,391	4,942,562
Pension related	1,272,348	200,011	1,472,359
<b>Total deferred inflows of resources</b>	<b>5,863,519</b>	<b>551,402</b>	<b>6,414,921</b>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	13,707,941	81,987	13,789,928
Restricted for:			
Capital projects	12,942,859	-	12,942,859
Student activities	149,571	-	149,571
Grant programs	207,744	-	207,744
Unrestricted (deficit)	(7,855,514)	(781,687)	(8,637,201)
<b>Total net position (deficit)</b>	<b>\$ 19,152,601</b>	<b>\$ (699,700)</b>	<b>\$ 18,452,901</b>

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

**Edmonson County School District**  
**Statement of Activities**

<i>For the year ended June 30, 2024</i>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
<b>Governmental Activities</b>							
Instruction	\$ 14,301,522	\$ -	\$ 2,097,729	\$ 217,051	\$ (11,986,742)	\$ -	\$ (11,986,742)
Support Services:							
Student	976,465	-	116,492	-	(859,973)	-	(859,973)
Instructional staff	1,749,442	-	564,968	-	(1,184,474)	-	(1,184,474)
District administration	648,482	-	-	-	(648,482)	-	(648,482)
School administration	1,014,074	-	-	-	(1,014,074)	-	(1,014,074)
Business	1,477,398	-	442,792	-	(1,034,606)	-	(1,034,606)
Plant operations and maintenance	2,551,930	3,180	81,315	-	(2,467,435)	-	(2,467,435)
Student transportation	1,713,914	-	150,321	-	(1,563,593)	-	(1,563,593)
Other	262,728	-	271,589	-	8,861	-	8,861
Interest on long-term debt	278,122	-	-	1,164,345	886,223	-	886,223
Loss on disposal of assets	2,697	-	-	-	(2,697)	-	(2,697)
<b>Total governmental activities</b>	<b>24,976,774</b>	<b>3,180</b>	<b>3,725,206</b>	<b>1,381,396</b>	<b>(19,866,992)</b>	<b>-</b>	<b>(19,866,992)</b>
<b>Business-type activities</b>							
Food services	1,515,391	36,001	1,482,373	-	-	2,983	2,983
Day care services	9,333	9,133	-	-	-	(200)	(200)
<b>Total business-type activities</b>	<b>1,524,724</b>	<b>45,134</b>	<b>1,482,373</b>	<b>-</b>	<b>-</b>	<b>2,783</b>	<b>2,783</b>
<b>Total school district</b>	<b>\$ 26,501,498</b>	<b>\$ 48,314</b>	<b>\$ 5,207,579</b>	<b>\$ 1,381,396</b>	<b>\$ (19,866,992)</b>	<b>\$ 2,783</b>	<b>\$ (19,864,209)</b>

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

**Edmonson County School District**  
**Statement of Activities**

	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business- type Activities	Total
<i>For the year ended June 30, 2024</i>			
General Revenues			
Taxes:			
Property	3,829,500	-	3,829,500
Motor vehicle	708,366	-	708,366
Utilities	734,233	-	734,233
State aid	15,796,124	-	15,796,124
Investment earnings	233,468	17,925	251,393
Other	572,363	-	572,363
Transfers	53,994	(53,994)	-
Total general revenues and transfers	21,928,048	(36,069)	21,891,979
Change in net position	2,061,056	(33,286)	2,027,770
Net position (deficit) - beginning of year	17,091,545	(666,414)	16,425,131
Net position (deficit) - end of year	\$ 19,152,601	\$ (699,700)	\$ 18,452,901

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

**Edmonson County School District**  
**Balance Sheet**  
**Governmental Funds**

<i>June 30, 2024</i>	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Construction Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash	\$ 3,183,692	\$ -	\$ 6,559,678	\$ 739,476	\$ 10,482,846
Accounts receivable:					
Taxes	138,337	-	-	-	138,337
Intergovernmental	-	1,219,248	-	-	1,219,248
Due from other funds	321,043	-	-	-	321,043
<b>Total assets</b>	<b>\$ 3,643,072</b>	<b>\$ 1,219,248</b>	<b>\$ 6,559,678</b>	<b>\$ 739,476</b>	<b>\$ 12,161,474</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 31,401	\$ 267,936	\$ 1,550	\$ 300,887
Accrued liabilities	668,686	-	-	-	668,686
Due to other funds	-	312,779	-	-	312,779
Unearned revenue	-	667,324	-	-	667,324
<b>Total liabilities</b>	<b>668,686</b>	<b>1,011,504</b>	<b>267,936</b>	<b>1,550</b>	<b>1,949,676</b>
<b>Fund Balances</b>					
Restricted	-	207,744	6,291,742	671,123	7,170,609
Committed	281,719	-	-	-	281,719
Assigned	386,542	-	-	66,803	453,345
Unassigned	2,306,125	-	-	-	2,306,125
<b>Total fund balances</b>	<b>2,974,386</b>	<b>207,744</b>	<b>6,291,742</b>	<b>737,926</b>	<b>10,211,798</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,643,072</b>	<b>\$ 1,219,248</b>	<b>\$ 6,559,678</b>	<b>\$ 739,476</b>	<b>\$ 12,161,474</b>

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

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

June 30, 2024

Total fund balances - governmental funds \$ 10,211,798

Amounts reported for governmental activities in the statement of net position  
are different because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported as assets in governmental  
funds. The cost of the assets is \$52,486,799 and the accumulated  
depreciation is \$23,169,489. 29,317,310

Governmental funds record losses on debt refundings as other financing  
uses when the issues are refunded. Unamortized losses on refundings  
are included on the government-wide financial statements as a  
deferred outflow. 14,530

Deferred outflows and inflows of resources related to OPEB are  
applicable to future periods and, therefore, are not reported in the  
funds statements. (2,063,448)

Deferred outflows and inflows of resources related to pensions are  
applicable to future periods and, therefore, are not reported in the  
funds statements. 487,412

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

Bonds payable	(9,494,334)
Accrued interest on the bonds	(67,524)
Net OPEB liability	(2,899,691)
Net pension liability	(5,777,083)
Compensated absences	(576,369)

Total net position - governmental activities \$ 19,152,601

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

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

<i>For the year ended June 30, 2024</i>	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
From local sources:					
Taxes:					
Property	\$ 3,327,079	\$ -	\$ -	\$ 502,421	\$ 3,829,500
Motor vehicle	708,366	-	-	-	708,366
Utilities	734,233	-	-	-	734,233
Earnings on investments	205,130	8,040	456,459	28,338	697,967
Other local revenue	66,373	38,321	-	297,619	402,313
Intergovernmental - state	12,866,427	1,492,331	-	707,886	15,066,644
Direct federal	129,034	-	-	-	129,034
Intergovernmental - federal	87,300	2,403,565	-	-	2,490,865
<b>Total revenues</b>	<b>18,123,942</b>	<b>3,942,257</b>	<b>456,459</b>	<b>1,536,264</b>	<b>24,058,922</b>
<b>Expenditures</b>					
Current:					
Instruction	10,533,274	2,170,744	-	292,327	12,996,345
Support services:					
Student	757,883	116,492	-	-	874,375
Instructional staff	741,287	564,968	-	-	1,306,255
District administration	652,624	-	-	-	652,624

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



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

<i>For the year ended June 30, 2024</i>	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Construction Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
School administration	1,040,717	-	-	-	1,040,717
Business	569,098	442,792	-	-	1,011,890
Plant operations and maintenance	1,977,267	81,315	-	-	2,058,582
Student transportation	1,767,036	150,321	-	713	1,918,070
Other	8,528	271,589	-	-	280,117
Debt service:					
Principal	-	-	-	891,000	891,000
Interest	-	-	-	255,264	255,264
Facilities acquisition and construction	-	-	5,265,752	-	5,265,752
<b>Total expenditures</b>	<b>18,047,714</b>	<b>3,798,221</b>	<b>5,265,752</b>	<b>1,439,304</b>	<b>28,550,991</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>76,228</b>	<b>144,036</b>	<b>(4,809,293)</b>	<b>96,960</b>	<b>(4,492,069)</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	276,586	61,652	-	920,254	1,258,492
Operating transfers out	(220,873)	-	-	(983,625)	(1,204,498)
<b>Total other financing sources (uses)</b>	<b>55,713</b>	<b>61,652</b>	<b>-</b>	<b>(63,371)</b>	<b>53,994</b>
<b>Net change in fund balances</b>	<b>131,941</b>	<b>205,688</b>	<b>(4,809,293)</b>	<b>33,589</b>	<b>(4,438,075)</b>
<b>Fund balances - beginning of year</b>	<b>2,842,445</b>	<b>2,056</b>	<b>11,101,035</b>	<b>704,337</b>	<b>14,649,873</b>
<b>Fund balances - end of year</b>	<b>\$ 2,974,386</b>	<b>\$ 207,744</b>	<b>\$ 6,291,742</b>	<b>\$ 737,926</b>	<b>\$ 10,211,798</b>

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

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

<i>For the year ended June 30,</i>	<i>2024</i>
Total net change in fund balances - governmental funds	\$ (4,438,075)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$5,992,696) exceeds depreciation expense (\$1,208,148) in the period.	4,784,548
Gains and losses are not presented in governmental funds because they do not provide or use current financial resources. However, they are presented on the Statement of Activities. The difference between proceeds from the sale of assets and the actual gain (loss) from the sale net to this amount for the year.	(7,480)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	891,000
Governmental funds report District OPEB contributions as expenditures. However, in the Statements of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.	
District OPEB contributions	-
Cost of benefits earned net of employee contributions	592,757
Governmental funds report District pension contributions as expenditures. However, in the Statements of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
District pension contributions	624,885
Cost of benefits earned net of employee contributions	(444,596)
Expenditures reported in the fund financial statements are recognized when the current financial resource is used. However, expenses in the Statement of Activities are recognized when they are incurred.	58,017
Change in net position - governmental activities	\$ 2,061,056

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

**Edmonson County School District**  
**Statement of Net Position**  
**Proprietary Funds**

<i>June 30, 2024</i>	<b>Enterprise Fund Food Service</b>	<b>Day Care (Nonmajor)</b>	<b>Total Proprietary Funds</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 138,877	\$ -	\$ 138,877
Accounts receivable	127,179	-	127,179
Inventory	23,840	-	23,840
Total current assets	289,896	-	289,896
<b>Non-Current Assets</b>			
Net OPEB asset	19,534	-	19,534
Fixed assets - net	81,987	-	81,987
Total assets	391,417	-	391,417
<b>Deferred Outflows of Resources</b>			
OPEB related	100,526	-	100,526
Pension related	276,632	-	276,632
Total deferred outflows of resources	377,158	-	377,158
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	460	-	460
Due to other funds	-	8,264	8,264
Total current liabilities	460	8,264	8,724
<b>Long-Term Liabilities</b>			
Net pension liability	908,149	-	908,149
Total long-term liabilities	908,149	-	908,149
<b>Deferred Inflows of Resources</b>			
OPEB related	351,391	-	351,391
Pension related	200,011	-	200,011
Total deferred inflows of resources	551,402	-	551,402
<b>Net Position (Deficit)</b>			
Net investment in capital assets	81,987	-	81,987
Unrestricted (deficit)	(773,423)	(8,264)	(781,687)
Total net position (deficit)	\$ (691,436)	\$ (8,264)	\$ (699,700)

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

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

<i>For the year ended June 30, 2024</i>	<b>Enterprise Fund Food Service</b>	<b>Day Care (Nonmajor)</b>	<b>Total Proprietary Funds</b>
<b>Operating Revenues</b>			
Lunchroom sales	\$ 36,001	\$ -	\$ 36,001
Tuition and fees	-	9,133	9,133
<b>Total operating revenues</b>	<b>36,001</b>	<b>9,133</b>	<b>45,134</b>
<b>Operating Expenses</b>			
Salaries and wages	629,238	9,250	638,488
Contract services	28,408	-	28,408
Materials and supplies	845,235	-	845,235
Day care operations	-	83	83
Other operating expenses	3,994	-	3,994
Depreciation expense	8,516	-	8,516
<b>Total operating expenses</b>	<b>1,515,391</b>	<b>9,333</b>	<b>1,524,724</b>
<b>Operating (loss) income</b>	<b>(1,479,390)</b>	<b>(200)</b>	<b>(1,479,590)</b>
<b>Non-Operating Revenues</b>			
State operating grants	129,239	-	129,239
Federal operating grants	1,316,351	-	1,316,351
Donated commodities	36,783	-	36,783
Interest income	17,925	-	17,925
<b>Total non-operating revenues</b>	<b>1,500,298</b>	<b>-</b>	<b>1,500,298</b>
<b>Income before transfers</b>	<b>20,908</b>	<b>(200)</b>	<b>20,708</b>
<b>Transfers</b>	<b>(53,994)</b>	<b>-</b>	<b>(53,994)</b>
<b>Change in net position</b>	<b>(33,086)</b>	<b>(200)</b>	<b>(33,286)</b>
<b>Net position (deficit) - beginning of year</b>	<b>(658,350)</b>	<b>(8,064)</b>	<b>(666,414)</b>
<b>Net position (deficit) - end of year</b>	<b>\$ (691,436)</b>	<b>\$ (8,264)</b>	<b>\$ (699,700)</b>

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

**Edmonson County School District**  
**Statement of Cash Flows**  
**Proprietary Funds**

<i>For the year ended June 30, 2024</i>	<b>Enterprise Fund Food Service</b>	<b>Day Care (Nonmajor)</b>	<b>Total Proprietary Funds</b>
<b>Operating Activities</b>			
Cash received from user charges	\$ 52,703	\$ 9,133	\$ 61,836
Cash payments to employees for services	(541,721)	(9,250)	(550,971)
Cash payments for contract services	(28,408)	-	(28,408)
Cash payments to suppliers for goods and services	(809,501)	117	(809,384)
Cash payments for other operating expenses	(3,994)	-	(3,994)
Net cash used in operating activities	(1,330,921)	-	(1,330,921)
<b>Non Capital Financing Activities</b>			
Indirect cost transfer to general fund	(53,994)	-	(53,994)
Non-operating grants received	1,327,082	-	1,327,082
Net cash provided by noncapital financing activities	1,273,088	-	1,273,088
<b>Investing Activities</b>			
Interest on investments	17,925	-	17,925
Net cash provided by investing activities	17,925	-	17,925
Net decrease in cash	(39,908)	-	(39,908)
Cash - beginning of year	178,785	-	178,785
Cash - end of year	\$ 138,877	\$ -	\$ 138,877

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

**Edmonson County School District**  
**Statement of Cash Flows**  
**Proprietary Funds**

<i>For the year ended June 30, 2024</i>	<b>Enterprise Fund Food Service</b>	<b>Day Care (Nonmajor)</b>	<b>Total Proprietary Funds</b>
<b>Reconciliation of Operating (Loss) Income to Net Cash Used In Operating Activities</b>			
Operating (loss) income	\$ (1,479,390)	\$ (200)	\$ (1,479,590)
Adjustments To Reconcile Operating (Loss) Income To Net Cash (Used In) Operating Activities:			
Depreciation	8,516	-	8,516
Commodities received	36,783	-	36,783
On-behalf payments received	118,508	-	118,508
Pension contributions less than pension expense	4,888	-	4,888
OPEB contributions in excess of OPEB expense	(35,879)	-	(35,879)
Changes in assets and liabilities:			
Receivables	16,702	-	16,702
Inventories	(1,509)	-	(1,509)
Accounts payable	460	200	660
Net cash (used in) operating activities	\$ (1,330,921)	\$ -	\$ (1,330,921)

**Non-Cash Activities**

- The food service fund received \$36,783 of donated commodities from the federal government.
- The District received on-behalf payments of \$118,508 relating to insurance benefits.
- The District reclassified \$98,231 related to pension expense to deferred outflows of resources.
- The District reclassified \$0 related to OPEB expense to deferred outflows of resources.

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

## Edmonson County School District Notes to Financial Statements

### NOTE 1: DESCRIPTION OF THE ENTITY

#### ***Reporting Entity***

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

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

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

#### ***Blended Component Unit***

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

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

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

***Basis of Presentation***

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

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

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

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

The District has the following funds:

**Governmental Fund Types**

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



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

***Basis of Presentation (continued)***

**Governmental Fund Types (continued)**

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

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

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

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

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

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

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

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

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

***Basis of Presentation (continued)***

**Proprietary Fund Types**

*Enterprise Funds*

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

The *Day Care Fund* is used to account for day care services offered to the general public.

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

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

*Custodial Funds*

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

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

**Government-Wide, Proprietary and Fiduciary Fund Financial Statements** – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary and fiduciary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

**Governmental Fund Financial Statements** – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This approach differs from the manner in which the government-wide financial statements are prepared. The governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in

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

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

the fund balance. On this basis of accounting, revenues are recognized when they become measurable and available as assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

***Budgetary Information***

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

***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to compensated absences, pension liability and OPEB liability.

***Inventory***

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

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

***Capital Assets***

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

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

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

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

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

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

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

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

***Deferred Inflows and Outflows of Resources – Debt Related (continued)***

financial statements in the current year. The deferred inflows of resources reported in the financial statements include the deferred gain on debt defeasance. The deferred gain is being amortized over the remaining life of the bond as part of other revenues.

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

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

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

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

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

***Net Pension Liability***

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

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

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS)/Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from CERS/KTRS fiduciary net position have been determined on the same basis as they are reported by CERS/KTRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The District's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. OPEB investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Note 9 provides further detail on the net OPEB liability.

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

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

***Unearned Revenue***

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

***Compensated Absences***

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

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

***Compensated Absences (continued)***

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

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

***Accrued Liabilities***

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

***Long-Term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

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

***Leases***

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

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

***Net Position***

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

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

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

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

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

***Property Taxes***

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

***Revenues — Exchange and Non exchange Transactions***

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



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

***Revenues — Exchange and Non exchange Transactions (continued)***

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

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

***Interfund Activity***

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

***Interfund Balances***

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

***Contributions of Capital***

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

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

***Encumbrances***

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

***Operating Revenues and Expenses***

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

***Subsequent Events***

The District has evaluated subsequent events through the date that the financial statements were available to be issued, November 14, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary

**Edmonson County School District**  
**Notes to Financial Statements**

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

***Recent Issued and Adopted Accounting Pronouncements (continued)***

information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The implementation of this standard was not significant to the District.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District is evaluating the requirements of this Statement.

**NOTE 3: CASH**

***Deposits***

At June 30, 2024, the carrying amounts of the District's cash in deposits were \$10,621,723 and the bank balances were \$11,210,878, which were covered by federal depository insurance or by collateral held by the bank's agent in the District's name.

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

<u>June 30,</u>	<u>2024</u>
Governmental funds	\$ 10,482,846
Proprietary funds	138,877
	<u>\$ 10,621,723</u>

***Custodial Credit Risk Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. However, the District is required by state statute that bank deposits must be collateralized. The District's bank balance of \$11,210,878 was not exposed to custodial credit risk as of June 30, 2024.

**Edmonson County School District**  
**Notes to Financial Statements**

**NOTE 4: INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at June 30, 2024 consist of the following:

<i>June 30, 2024</i>		
<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General fund	Special revenue	\$ 312,779
General fund	Day care	8,264
Total interfund receivables and payables		\$ 321,043

The amounts represent interfund loans between the general fund and the special revenue and day care funds that are necessary to fulfill the current cash requirements of the special revenue fund and day care fund.

**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

<i>June 30, 2024</i>	<b>Capital Cost</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements/ Reclassifications</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets that are not depreciated:				
Land	\$ 332,789	\$ -	\$ -	\$ 332,789
Construction in progress	869,723	5,265,752	5,910	6,129,565
Total non-depreciable historical cost	1,202,512	5,265,752	5,910	6,462,354
Capital assets that are depreciated:				
Land improvements	1,193,064	-	-	1,193,064
Buildings and improvements	38,232,508	111,869	-	38,344,377
Technology equipment	910,799	89,803	244,918	755,684
Vehicles	4,042,630	229,778	98,585	4,173,823
General	1,286,295	301,404	30,202	1,557,497
Total depreciable historical cost	45,665,296	732,854	373,705	46,024,445
Less accumulated depreciation for:				
Land improvements	1,092,006	12,043	-	1,104,049
Buildings and improvements	16,245,505	941,800	-	17,187,305
Technology equipment	829,224	32,255	237,647	623,832
Vehicles	3,115,592	172,208	98,585	3,189,215
General	1,045,239	49,842	29,993	1,065,088
Total accumulated depreciation	22,327,566	1,208,148	366,225	23,169,489
Total depreciable historical cost, net	23,337,730	(475,294)	7,480	22,854,956
Governmental activities, capital assets, net	\$ 24,540,242	\$ 4,790,458	\$ 13,390	\$ 29,317,310

**Edmonson County School District**  
**Notes to Financial Statements**

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

<i>June 30, 2024</i>	Capital Cost			
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
<b>Business-type activities:</b>				
Capital assets that are depreciated:				
General	\$ 559,884	\$ -	\$ 2,415	\$ 557,469
Technology equipment	14,970	-	14,970	-
Total depreciable historical cost	574,854	-	17,385	557,469
Less accumulated depreciation	484,351	8,516	17,385	475,482
Business-type activities, capital assets, net	\$ 90,503	\$ (8,516)	\$ -	\$ 81,987

Depreciation expense was charged to governmental functions as follows:

<i>For the year ended June 30,</i>	<i>2024</i>
Instruction	\$ 377,070
Support services:	
District administration	3,602
Facilities operations	650,757
Student transportation	176,719
Total depreciation expense	\$ 1,208,148

**NOTE 6: LONG-TERM OBLIGATIONS**

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

Issue Date	Proceeds	Rates
2011	\$ 5,280,000	1.00%—3.30%
2012	1,055,000	1.10%—4.30%
2017	2,055,000	2.00%—3.375%
2020	1,705,000	2.00%—2.25%
2021	515,000	1.10%
2022	4,170,000	2.00%—2.50%
2023	1,115,000	4.00%—4.375%

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

**Edmonson County School District**  
**Notes to Financial Statements**

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

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

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2024 for debt service (principal and interest) are as follows:

Year	Edmonson County School District		School Facility Construction Commission		Total Debt Service	
	Interest	Principal	Interest	Principal		
2024—2025	\$ 213,614	\$ 711,615	\$ 23,687	\$ 90,385	\$	1,039,301
2025—2026	201,880	315,687	22,240	91,313		631,120
2026—2027	194,062	329,556	20,592	93,444		637,654
2027—2028	185,875	343,392	18,902	94,608		642,777
2028—2029	177,417	357,200	17,181	96,800		648,598
2029—2030	168,591	370,975	15,418	98,025		653,009
2030—2031	159,211	384,720	13,622	100,280		657,833
2031—2032	149,726	398,429	11,781	51,571		611,507
2032—2033	139,726	417,104	10,456	52,896		620,182
2033—2034	129,460	430,743	9,097	54,257		623,557
2034—2035	118,609	449,272	7,623	55,728		631,232
2035—2036	107,001	467,750	6,103	57,250		638,104
2036—2037	94,347	486,106	4,460	58,894		643,807
2037—2038	81,193	509,688	2,767	25,312		618,960
2038—2039	67,566	529,122	2,201	25,878		624,767
2039—2040	53,431	548,537	1,616	26,463		630,047
2040—2041	38,409	569,505	1,018	25,495		634,427
2041—2042	23,918	595,475	488	19,525		639,406
2042—2043	6,781	155,000	-	-		161,781
	\$ 2,310,817	\$ 8,369,876	\$ 189,252	\$ 1,118,124	\$	11,988,069

**Edmonson County School District**  
**Notes to Financial Statements**

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

Changes in long-term obligations are as follows:

	Balance			Balance	Amounts
<i>June 30, 2024</i>	<i>July 1, 2023</i>	<i>Increases</i>	<i>Decreases</i>	<i>June 30, 2024</i>	<i>Due Within One Year</i>
<b>Governmental Activities:</b>					
Bonds payable	\$ 10,379,000	\$ -	\$ (891,000)	\$ 9,488,000	\$ 802,000
Less: deferred issuance discounts	2,822	-	3,512	6,334	-
Total bonds payable	10,381,822	-	(887,488)	9,494,334	802,000
Other liabilities:					
Compensated absences	657,244	-	(80,875)	576,369	96,767
Total other liabilities	657,244	-	(80,875)	576,369	96,767
Total long-term liabilities	\$ 11,039,066	\$ -	\$ (968,363)	\$ 10,070,703	\$ 898,767

**NOTE 7: FUND BALANCES**

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

*Nonspendable fund balances* are amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

*Restricted fund balances* arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2024, the District had \$207,744 restricted in the special revenue fund for grant programs, \$149,571 restricted in the special revenue student activity fund for student activities, \$6,291,742 restricted in the construction fund, \$83,984 restricted in the SEEK fund for debt service, and \$437,568 restricted in the FSPK for capital outlay/debt service.

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

*Committed fund balances* are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The District had the following commitments in the general fund at June 30, 2024: \$227,620 for compensated absences balances and \$54,099 for school site based decision making balances.

*Assigned fund balances* are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education allows program supervisors to complete purchase orders which result in the encumbrance of funds. The District had \$386,542 assigned related to encumbrances in the general fund and the special revenue district activity fund had \$66,803 assigned for operating costs of the District's schools at June 30, 2024. Assigned fund balances also include (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose.

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

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations using restricted funds first, followed by committed funds, assigned funds and then unassigned funds. Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically rebudgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance at June 30, 2024 in the governmental funds balance sheet.

**NOTE 8: PENSION PLANS**

**Pensions**

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



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

**General Information About the KTRS Pension Plan**

**Plan Description**

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

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

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

**Benefits Provided**

KTRS provides retirement, medical, disability, annual cost of living adjustments, and death benefits to plan members. Plan members are divided into the following four categories based on entry date.

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

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

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

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

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

**Benefits Provided (continued)**

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

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

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

- 1.) Attain age 60 and complete 5 years of Kentucky service, or
- 2.) Complete 27 years of Kentucky service, or
- 3.) Attain age 55 and complete 10 years of Kentucky service.

The annual retirement allowance for members is equal to: (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less; (b) 2.0% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3.0% of final average salary for years of credited service greater than 30 years.

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

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

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

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

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

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

**Benefits Provided (continued)**

The multiplier for members is shown in the following table:

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

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

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

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

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

**Contributions**

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

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

**Contributions (continued)**

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

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

***Pension Liabilities and Pension Expense***

At June 30, 2024, the amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth of Kentucky (State) support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the District	<u>40,312,907</u>
<b>Total</b>	<b><u><u>\$ 40,312,907</u></u></b>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures.

For the year ended June 30, 2024, the District recognized pension expense of \$5,354,562 and revenue of \$5,354,562 for support provided by the State in the government wide financial statements and pension expense of \$2,424,866 and revenue of \$2,424,866 for support provided by the State in the fund statements.

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

**Actuarial Assumptions**

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age
Investment rate of return	7.10% net of pension plan investment expense, including inflation
Projected salary increases	3.00 - 7.50%, including inflation
Inflation rate	2.50%
Post-retirement adjustment	1.50%
Municipal bond index rate	3.66%
Single equivalent interest rate	7.10%

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

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

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

**Actuarial Assumptions (continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. Equity	35.4%	5.00%
Small cap U.S. Equity	2.6%	5.50%
Developed International Equity	15.7%	5.50%
Emerging Markets Equity	5.3%	6.10%
Fixed Income	15.0%	1.90%
High Yield Bonds	5.0%	3.80%
Other Additional Categories	5.0%	3.60%
Real Estate	7.0%	3.20%
Private Equity	7.0%	8.00%
Cash	2.0%	1.60%
<b>Total</b>	<b>100.0%</b>	

**Discount Rate**

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

**Pension Plan Fiduciary Net Position**

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

**General Information About the CERS Pension Plan**

**Plan Description**

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

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

**Plan Description (continued)**

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

**Benefits Provided**

CERS provides retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Prior to July 1, 2009, Cost of Living Adjustments (COLAs) were provided to retirees annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were limited to 1.50%. In 2013, the General Assembly created a new law to govern how COLAs will be granted. The language included stated COLAs will only be granted in the future if the System's Boards determine that asset of the Systems are greater than 100% of the actuarial liabilities and legislation authorizes the use of surplus funds for the COLA; or the General Assembly fully prefunds the COLA or directs the payment of funds in the year the COLA is provided. No COLA has been granted since July 1, 2011.

*Tier 1* - Non-Hazardous Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members' accounts 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* - Non-Hazardous Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 6% of their annual creditable compensation, while 1% of these contributions are deposited in an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see Kentucky Administrative Regulation 105 KAR 1:420). These members are classified in the Tier 2 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; however, the 1% Health Insurance contribution (HIC) to the 401(h) account is non-refundable and is forfeited.

*Tier 3* - Non-Hazardous Tier 3 plan members who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members contribute 5% of their monthly creditable compensation which is deposited into their account, and an additional 1% which is deposited to an account created for payment of health insurance benefits under 26 USC Section 401(h) in the Insurance Fund (see 105 KAR 1:420), which is not refundable. Tier 3 member accounts are also credited with an employer pay credit in the amount of 4% in the member's monthly

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

**Benefits Provided (continued)**

creditable compensation. The employer pay credit amount is deducted from the total employer contribution rate paid on the member's monthly creditable compensation. If a vested (60 months of service) member terminates employment and applies to take a refund, the member is entitled to the members contributions (less HIC) plus employer pay credit plus interest (for both employee contributions and employer pay). If a non-vested (less than 60 months) member terminates employment and applies to take a refund, the member is entitled to receive employee contributions (less HIC) plus interest (on employee contributions only).

**Contributions**

Employers participating in the CERS are required to contribute at an actuarially determined rate per KRS 78.635. The CERS board of trustees establishes the employer contribution rate based on KRS 78.454(33). The KERS Non-Hazardous employer contribution rate shall include, (1) the normal cost contribution and (2) the prorated amount of the actuarially accrued liability assigned to each individual nonhazardous employer in accordance with KRS 61.565(1)(d). The normal contribution and past service contribution rates shall be determined by the KRS Board on the basis of the last annual valuation preceding July 1 of a new biennium. The KRS Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board. For the fiscal year ended June 30, 2024, participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rate set by the Boards for the fiscal year ended June 30, 2024 was 23.34%.

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

At June 30, 2024, the District reported a liability of \$6,685,232 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on the District's share of 2023 contributions to the pension plan relative to the 2023 contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was .104188%.



**Edmonson County School District**  
**Notes to Financial Statements**

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

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

For the year ended June 30, 2024, the District recognized pension expense of \$509,931. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 346,082	\$ 18,166
Net difference between projected and actual earnings on pension plan investments	722,194	813,385
Change of assumptions	-	612,706
Changes in proportion and differences between employer contributions and proportionate share of contribution	245,000	28,102
District contributions subsequent to the measurement date	723,116	-
Total	<u>\$ 2,036,392</u>	<u>\$ 1,472,359</u>

\$723,116 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2025	\$ (104,974)
2026	(138,629)
2027	149,241
2028	(64,721)
2029	-

**Actuarial Assumptions**

The total pension liability, net pension liability, and sensitivity information as of June 30, 2023 are based on an actuarial valuation date of June 30, 2022. The total pension liability was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles.

# Edmonson County School District

## Notes to Financial Statements

### NOTE 8: PENSION PLANS (CONTINUED)

#### Actuarial Assumptions (continued)

There have been no changes in actuarial assumptions since June 30, 2022. The actuarial assumptions are:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increases	3.30% to 10.30%, varies by service
Investment Rate of Return	6.50%

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

#### Long-Term Expected Rate of Return

The long-term expected 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 were combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b>Equity</b>		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
<b>Fixed Income</b>		
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
<b>Inflation Protected</b>		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
<b>Expected Real Return</b>	<b>100.0%</b>	<b>5.75%</b>
<b>Long Term Inflation Assumption</b>		<b>2.50%</b>
<b>Expected Nominal Return for Portfolio</b>		<b>8.25%</b>

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

**Discount Rate**

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

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

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

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
District's proportionate share of the net pension liability	\$ 8,440,509	\$ 6,685,232	\$ 5,226,530

**Pension Plan Fiduciary Net Position**

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

***Deferred Compensation Plans***

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

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

**General Information about the KTRS OPEB Plan**

**Plan Description**

District employees, in positions requiring a four-year degree are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS)—a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement, health and life insurance benefits for specified employees of local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by KRS Chapter 161 Sections 220 through 990. TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained on the TRS website.

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. The Board of Trustees consists of the chief state school officer, the state treasurer, two trustees appointed by the governor and seven elected trustees. Four of the elected trustees are active teachers, two are not members of the teaching profession, and one is an annuitant of the system.

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

***Health Insurance Trust***

**Plan Description**

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

**Benefits Provided**

To be eligible for medical benefits, the member must have retired either for service or disability and a required amount of service credit. The TRS medical plan offers members who are not eligible for Medicare and under age 65 coverage through the Kentucky Employees Health Plan (KEHP) administered by the Kentucky Department of Employee Insurance. Once retired members and eligible spouses attain age 65 and or are eligible for Medicare, coverage is obtained through the Medicare Eligible Health Plan (MEHP) administered by TRS.

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

**Contributions**

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

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

At June 30, 2024, the District reported a liability of \$3,024,000 for its proportionate share of collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.124139%.

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

District's proportionate share of the net OPEB liability	\$ 3,024,000
State's proportionate share of the net OPEB liability	
associated with the District	2,548,000
<u>Total</u>	<u>\$ 5,572,000</u>

For the year ended June 30, 2023, the District recognized total OPEB expense of \$(62,000), which included \$(15,000) related to changes in proportion and differences between employer contributions and proportionate share of contributions.

**Edmonson County School District**  
**Notes to Financial Statements**

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

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,025,000
Changes of assumptions	687,000	-
Net difference between projected and actual earnings on OPEB plan investments	57,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,144,000</u>	<u>1,330,000</u>
Total	<u>\$ 1,888,000</u>	<u>\$ 2,355,000</u>

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

<u>Year ended June 30,</u>	
2025	\$ (177,000)
2026	(146,000)
2027	53,000
2028	25,000
2029	(100,000)
Thereafter	(122,000)

**Actuarial Assumptions**

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

## Edmonson County School District Notes to Financial Statements

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

#### Actuarial Assumptions (continued)

Valuation Date	June 30, 2022
Investment Rate of Return	7.10%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	3.00% - 7.50%, including wage inflation
Inflation Rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.66%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation
Healthcare Cost Trends:	
Medical trend	6.75% for FYE 2023 decreasing to an ultimate rate of 4.50% by FYE 2032
Medicare Part B Premiums	1.55% for FYE 2023 with an ultimate rate of 4.50% by 2034

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

The demographic actuarial assumptions for retirement disability, incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends) used in the June 30, 2022 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation. The health care cost trend rate assumption was updated for the June 30, 2022 valuation and was shown as an assumption change in the Total OPEB Liability (TOL) roll-forward while the change in initial per capita claims costs were included with the experience in the TOL roll-forward. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of 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.

**Edmonson County School District**  
**Notes to Financial Statements**

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

**Actuarial Assumptions (continued)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large cap Equity	35.4%	5.00%
U.S. Small cap Equity	2.6%	5.50%
Developed International Equity	15.0%	5.50%
Emerging Markets Equity	5.0%	6.10%
Fixed Income	9.0%	1.90%
High Yield Bonds	8.0%	3.80%
Other Additional Categories	9.0%	3.70%
Real Estate	6.5%	3.20%
Private Equity	8.5%	8.00%
Cash	1.0%	1.60%
<b>Total</b>	100.0%	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be depleted. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the collective net OPEB liability	\$ 3,889,000	\$ 3,024,000	\$ 2,308,000



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

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

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

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ 2,177,000	\$ 3,024,000	\$ 4,078,000

**OPEB Plan Fiduciary Net Position**

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

***Life Insurance Trust***

**Plan Description**

TRS administers the Life Insurance Trust as provided by KRS 161.655 to provide life insurance benefits to retired and active members. The TRS Life Insurance Trust is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the life insurance plan may be made by the TRS Board of Trustees and the General Assembly.

**Benefits Provided**

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

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

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

**Edmonson County School District**  
**Notes to Financial Statements**

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

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

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>63,000</u>
Total	<u><u>\$ 63,000</u></u>

**Actuarial Assumptions**

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below.

Valuation Date	June 30, 2022
Investment Rate of Return	7.10%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	3.00% - 7.50%, including wage inflation
Inflation Rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.66%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2022 valuation were based on the results for the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of 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.

**Edmonson County School District**  
**Notes to Financial Statements**

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

**Actuarial Assumptions (continued)**

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

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

**Discount Rate**

The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be depleted. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**OPEB Plan Fiduciary Net Position**

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

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

**Plan Description**

District employees are provided OPEB under the provisions of Kentucky Revised Statutes, and the Kentucky Retirement Systems (KRS) board administers the KRS Insurance Fund. The KRS Insurance Fund is a cost-sharing, multiple-employer defined benefit OPEB plan which provides group health insurance benefits for plan members that are all regular full-time members employed in non-hazardous duty positions of the District. OPEB may be extended to beneficiaries of the plan members under certain circumstances. The CERS Insurance Fund is included in a publicly available financial report that can be obtained at [www.kyret.ky.gov](http://www.kyret.ky.gov).

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

**Benefits Provided**

The Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. Premium payments are submitted to DEI and Humana. The Kentucky Public Pension Authority (KPPA) board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

**Contributions**

Employers participating in the KRS Insurance Fund contribute a percentage of each employee's creditable compensation. The actuarially determined rates set by the KRS board is a percentage of each employee's creditable compensation. For the year ended June 30, 2024, the required contribution was 0.00% of each employee's covered payroll. Contributions from the District to the KRS Insurance Fund for the year ended June 30, 2024, were \$0. The KRS board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS board. Employees qualifying as Tier 2 or Tier 3 of the CERS plan members contribute 1% of creditable compensation to an account created for the payment of health insurance benefits.

**Implicit Subsidy**

The fully-insured premiums paid for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB No. 75 requires that the liability associated with this implicit subsidy is included in the calculation of the total OPEB liability.

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

At June 30, 2024, the District reported a liability (asset) of \$(143,843) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net OPEB liability was based on the District's share of 2023 contributions to the OPEB plan relative to the 2023 contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.104184%.

For the year ended June 30, 2024, the District recognized OPEB expense of \$(290,668).

**Edmonson County School District**  
**Notes to Financial Statements**

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 100,281	\$ 2,042,433
Net difference between projected and actual investment earnings on OPEB plan investments	269,197	302,581
Change of assumptions	283,074	197,274
Changes in proportion and differences between employer contributions and proportionate share of contributions	87,697	45,274
District contributions subsequent to measurement date	-	-
Total	<u>\$ 740,249</u>	<u>\$ 2,587,562</u>

For the year ended June 30, 2023, \$0 was reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2025	\$ (471,123)
2026	(568,843)
2027	(432,863)
2028	(374,484)
2029	-
Thereafter	-

**Actuarial Assumptions**

The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2023 are based on an actuarial valuation date of June 30, 2022. The total OPEB liability was rolled-forward from the valuation date (June 30, 2022) to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles. The following actuarial assumptions were used in performing the actuarial valuation as of June 30, 2023:

## Edmonson County School District Notes to Financial Statements

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

#### Actuarial Assumptions (continued)

Inflation	2.50%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, varies by service for CERS non-hazardous
Investment Rate of Return	6.50%
Healthcare Trend Rates (Pre-65)	Initial trend starting at 6.80% at January 1, 2025, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Healthcare Trend Rates (Post-65)	Initial trend starting at 8.50% in 2025, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Mortality (Pre-retirement)	PUB-2010 General Mortality table, for the Non-hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Mortality (Post-retirement; non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.
Mortality (Post-retirement; disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

#### Long-Term Expected Rate of Return

The long-term (10-year) expected rates of return were determined by using a building-block method in which best estimated ranges of expected future real rates of return were developed for each asset class. The ranges were combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below:

**Edmonson County School District**  
**Notes to Financial Statements**

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b>Equity</b>		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
<b>Fixed Income</b>		
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
<b>Inflation Protected</b>		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
<b>Expected Real Return</b>	<b>100.0%</b>	<b>5.75%</b>
<b>Long Term Inflation Assumption</b>		<b>2.50%</b>
<b>Expected Nominal Return for Portfolio</b>		<b>8.25%</b>

**Discount Rate**

Single discount rates of 5.93% for the non-hazardous system were used to measure the total OPEB liability as of June 30, 2023. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.86%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the Plan's actuarial determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the Plan's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the ACFR.

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

# Edmonson County School District

## Notes to Financial Statements

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

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

The following presents the District's proportionate share of the net OPEB liability as of June 30, 2024, calculated using the discount rate of 5.93%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	1% Decrease (4.93%)	Current Discount Rate (5.93%)	1% Increase (6.93%)
District's proportionate share of the collective net OPEB liability	\$ 269,939	\$ (143,843)	\$ (490,336)

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

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

	1% Decrease	Current Healthcare Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ (461,043)	\$ (143,843)	\$ 245,807

#### OPEB Plan Fiduciary Net Position

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

### NOTE 10: CONTINGENCIES

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



**Edmonson County School District**  
**Notes to Financial Statements**

**NOTE 11: RISK MANAGEMENT**

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

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

**NOTE 12: LITIGATION**

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

**NOTE 13: EXCESS EXPENDITURES OVER APPROPRIATIONS**

The District has two funds with a deficit net position, Food Service (\$691,436) and Day Care (\$8,264). Also, the following funds had excess current year expenditures over current year appropriated revenues:

<i>Year ended June 30, 2024</i>	
<b>Fund</b>	<b>Amount</b>
Construction	\$ 4,809,293
Day Care	200
Food Service	33,086
District Activity Fund	7,862

**Edmonson County School District**  
**Notes to Financial Statements**

**NOTE 14: FUND TRANSFERS**

Fund transfers for the year ended June 30, 2024 consist of the following:

<b>Type</b>	<b>From Fund</b>	<b>To Fund</b>	<b>Purpose</b>	<b>Amount</b>
Operating	General Fund	Special Revenue Fund	Matching	\$ 61,652
Operating	FSPK	General Fund	Expenditures	49,868
Operating	Food Service	General Fund	Indirect Costs	53,994
Operating	SEEK	General Fund	Expenditures	172,724
Operating	FSPK	Debt Service Fund	Debt Service	760,936
Operating	Student Activity Fund	District Activity Fund	Expenditures	97
Operating	General Fund	Debt Service Fund	Debt Service	159,221

**NOTE 15: ON-BEHALF PAYMENTS**

The District receives on-behalf payments from the State of Kentucky for items including pension, technology, health care costs, operating costs and debt service. The amount received for the fiscal year ended June 30, 2024, was \$5,750,015. These payments were recorded in the funds as follows:

<i>Year ended June 30, 2024</i>	
<b>Fund</b>	<b>Amount</b>
General fund	\$ 5,405,400
Food Service fund	118,508
Debt Service fund	226,107
<b>Total</b>	<b>\$ 5,750,015</b>
<i>Year ended June 30, 2024</i>	
Technology	\$ 78,421
Health Insurance less Federal Reimbursements	2,655,897
Life Insurance	3,605
Administrative Fees	28,924
HRA/Dental/Vision Insurance	127,662
SFCC Debt Service	226,107
KTRS	2,629,399
<b>Total</b>	<b>\$ 5,750,015</b>

**Edmonson County School District**  
**Budgetary Comparison Schedule for the General Fund**

For the year ended June 30, 2024	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Local and intermediate sources	\$ 4,530,193	\$ 4,705,303	\$ 5,041,181	\$ 335,878
State programs	12,914,217	13,453,721	12,866,427	(587,294)
Federal programs	128,472	128,472	216,334	87,862
Total revenues	17,572,882	18,287,496	18,123,942	(163,554)
Expenditures				
Current:				
Instruction	10,702,181	11,236,189	10,533,274	702,915
Support services:				
Student	863,452	913,549	757,883	155,666
Instructional staff	743,395	782,231	741,287	40,944
District administration	663,501	640,964	652,624	(11,660)
School administration	1,000,085	1,054,496	1,040,717	13,779
Business	522,109	547,838	569,098	(21,260)
Plant operations and maintenance	2,116,816	2,101,521	1,977,267	124,254
Student transportation	1,628,729	1,810,071	1,767,036	43,035
Other	1,245,179	1,464,126	8,528	1,455,598
Total expenditures	19,485,447	20,550,985	18,047,714	2,503,271

**Edmonson County School District**  
**Budgetary Comparison Schedule for the General Fund**

<i>For the year ended June 30, 2024</i>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
Excess (deficiency) of revenues over expenditures	(1,912,565)	(2,263,489)	76,228	2,339,717
<b>Other Financing Sources (Uses)</b>				
Operating transfers - net	92,840	(79,755)	55,713	135,468
Total other financing sources (uses)	92,840	(79,755)	55,713	135,468
Net change in fund balance	(1,819,725)	(2,343,244)	131,941	2,475,185
Fund balance-beginning of year	1,819,725	2,343,244	2,842,445	499,201
Fund balance-end of year	\$ -	\$ -	\$ 2,974,386	\$ 2,974,386

**Edmonson County School District**  
**Budgetary Comparison Schedule for the Special Revenue Fund**

For the year ended June 30, 2024	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Local and intermediate sources	\$ 350	\$ 350	\$ 46,361	\$ 46,011
State programs	1,221,498	1,320,108	1,492,331	172,223
Federal programs	1,377,170	1,383,881	2,403,565	1,019,684
Total revenues	2,599,018	2,704,339	3,942,257	1,237,918
Expenditures				
Current:				
Instruction	1,687,869	2,370,220	2,170,744	199,476
Support services:				
Student	78,372	76,237	116,492	(40,255)
Instructional staff	482,079	726,796	564,968	161,828
Business	20,000	38,859	442,792	(403,933)
Plant operations and maintenance	58,000	44,975	81,315	(36,340)
Student transportation	68,824	83,092	150,321	(67,229)
Other	238,874	245,587	271,589	(26,002)
Total expenditures	2,634,018	3,585,766	3,798,221	(212,455)

# **Edmonson County School District** **Budgetary Comparison Schedule for the Special Revenue Fund**

<i>For the year ended June 30, 2024</i>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
Excess (deficiency) of revenues over expenditures	(35,000)	(881,427)	144,036	1,025,463
<b>Other Financing Sources (Uses)</b>				
Operating transfers - net	35,000	35,595	61,652	26,057
Total other financing sources (uses)	35,000	35,595	61,652	26,057
Net change in fund balance	-	(845,832)	205,688	1,051,520
Fund balance-beginning of year	-	-	2,056	2,056
Fund balance-end of year	\$ -	\$ (845,832)	\$ 207,744	\$ 1,053,576

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

<b>Schedule of the District's Proportionate Share of the Net Pension Liability-KTRS</b>										
<i>As of June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	\$ 40,312,907	\$ 41,456,330	\$ 30,196,317	\$ 32,937,869	\$ 32,082,255	\$ 31,206,890	\$ 66,296,602	\$ 71,515,932	\$ 56,544,274	\$ 51,978,177
District's covered payroll	\$ 4,892,349	\$ 5,067,039	\$ 4,909,574	\$ 5,516,069	\$ 5,528,170	\$ 5,783,359	\$ 6,532,314	\$ 6,933,221	\$ 6,801,895	\$ 7,923,760
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	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 pension liability	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%	45.59%

<b>Schedule of the District's Contributions-KTRS</b>										
<i>For the year ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 4,928,834	\$ 4,892,349	\$ 5,067,039	\$ 4,909,574	\$ 5,516,069	\$ 5,528,170	\$ 5,783,359	\$ 6,532,314	\$ 6,933,221	\$ 6,801,895
Contributions as a percentage of covered payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

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

**Changes of Benefit Terms**

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

**Changes of Assumptions**

2023: No changes in assumptions.

2022: No changes in assumptions.

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

2020: No changes in assumptions.

2019: No changes in assumptions.

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

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

2016: In the 2016 valuation, rates of 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%.

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

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



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

<b>Schedule of the District's Proportionate Share of the Net Pension Liability-CERS</b>										
<i>As of June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.010419%	0.098634%	0.100224%	0.099590%	0.100636%	0.104021%	0.108360%	0.115126%	0.113821%	0.113792%
District's proportionate share of the net pension liability	\$ 6,685,232	\$ 7,130,265	\$ 6,390,066	\$ 7,638,471	\$ 7,077,774	\$ 6,335,196	\$ 6,342,644	\$ 5,668,371	\$ 4,893,774	\$ 3,692,000
District's covered payroll	\$ 3,185,791	\$ 2,775,262	\$ 2,606,337	\$ 2,557,741	\$ 2,556,750	\$ 2,591,595	\$ 2,654,172	\$ 2,744,581	\$ 2,667,733	\$ 2,615,807
District's proportionate share of the net pension liability as a percentage of its covered payroll	209.85%	256.92%	245.17%	298.64%	276.83%	244.45%	238.97%	206.53%	183.44%	141.14%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

<b>Schedule of the District's Contributions-CERS</b>										
<i>For the year ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 723,116	\$ 745,475	\$ 587,523	\$ 503,023	\$ 493,644	\$ 414,705	\$ 375,263	\$ 370,257	\$ 340,877	\$ 340,136
Contributions in relation to the contractually required contribution	723,116	745,475	587,523	503,023	493,644	414,705	375,263	370,257	340,877	340,136
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,098,183	\$ 3,185,791	\$ 2,775,262	\$ 2,606,337	\$ 2,557,741	\$ 2,556,750	\$ 2,591,595	\$ 2,654,172	\$ 2,744,581	\$ 2,667,733
Contributions as a percentage of covered payroll	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

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

**Changes of Benefit Terms**

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

2023: No changes in benefit terms.

2022: No changes in benefit terms.

2021: No changes in benefit terms.

2020: No changes in benefit terms.

2019: No changes in benefit terms.

2018: No changes in benefit terms.

2017: No changes in benefit terms.

2016: No changes in benefit terms.

2015: No changes in benefit terms.

**Changes of Assumptions**

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

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

2022: No changes in assumptions.

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

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

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

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

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

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

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

2015: No changes in assumptions.

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

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

<i>As of June 30,</i>	2024	2023	2022	2021	2020	2019	2018
District's proportion of the collective net OPEB liability	0.124139%	0.176475%	0.123747%	0.124834%	0.125703%	0.123369%	0.130561%
District's proportionate share of the collective net OPEB liability	\$ 3,024,000	\$ 4,381,000	\$ 2,655,246	\$ 3,150,000	\$ 3,679,000	\$ 4,281,000	\$ 4,656,000
District's covered payroll	\$ 4,892,349	\$ 5,067,039	\$ 4,909,574	\$ 5,516,069	\$ 5,528,170	\$ 5,783,359	\$ 6,532,314
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	61.81%	86.46%	54.08%	57.11%	66.55%	74.02%	71.28%
Plan fiduciary net position as a percentage of the total OPEB liability	52.97%	47.75%	51.74%	39.05%	32.58%	25.50%	21.18%

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

<i>For the years ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ -	\$ -	\$ -	\$ 394	\$ 233	\$ 324	\$ -
Contributions in relation to the contractually required contribution	-	-	-	394	233	324	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 4,928,834	\$ 4,892,349	\$ 5,067,039	\$ 4,909,574	\$ 5,516,069	\$ 5,528,170	\$ 5,783,359
Contributions as percentage of covered payroll	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	0.00%

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

**Changes of Benefit Terms**

2023: No changes of benefit terms.

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

2021: No changes of benefit terms.

2020: No changes of benefit terms.

2019: No changes of benefit terms.

2018: No changes of benefit terms.

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

**Changes of Assumptions**

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

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

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

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

<i>As of June 30,</i>	2024	2023	2022	2021	2020	2019	2018
District's proportion of the collective net OPEB liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 4,892,349	\$ 5,067,039	\$ 4,909,574	\$ 5,516,069	\$ 5,528,170	\$ 5,783,359	\$ 6,532,314
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total OPEB liability	76.91%	73.97%	89.15%	71.57%	73.40%	75.00%	79.99%

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

<i>For the years ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution				-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 4,928,834	\$ 4,892,349	\$ 5,067,039	\$ 4,909,574	\$ 5,516,069	\$ 5,528,170	\$ 5,783,359
Contributions as percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**Changes of Benefit Terms**

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

**Changes of Assumptions**

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

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

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

<i>As of June 30,</i>	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.104184%	0.098617%	0.100201%	0.099561%	0.100609%	0.104021%	0.108360%
District's proportionate share of the net OPEB liability	\$ (143,843)	\$ 1,946,220	\$ 1,918,298	\$ 2,404,095	\$ 1,692,198	\$ 1,846,801	\$ 2,178,407
District's covered payroll	\$ 3,185,791	\$ 2,775,262	\$ 2,606,337	\$ 2,557,741	\$ 2,556,750	\$ 2,591,595	\$ 2,654,172
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	-4.52%	70.13%	73.60%	93.99%	66.19%	71.26%	82.07%
Plan fiduciary net position as a percentage of the total OPEB liability	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%

**Schedule of District Contributions - CERS**

<i>For the years ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ -	\$ 108,448	\$ 159,962	\$ 124,188	\$ 121,872	\$ 130,716	\$ 121,774
Contributions in relation to the contractually required contribution	-	108,448	159,962	124,188	121,872	130,716	121,774
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,098,183	\$ 3,185,791	\$ 2,775,262	\$ 2,606,337	\$ 2,557,741	\$ 2,556,750	\$ 2,591,595
Contributions as a percentage of covered payroll	0.00%	3.40%	5.76%	4.76%	4.76%	5.11%	4.70%



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

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

**Changes of Benefit Terms**

No changes of benefit terms.

**Changes of Assumptions**

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

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

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

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

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

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

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

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

**Edmonson County School District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

<i>June 30, 2024</i>	SEEK Fund	FSPK Fund	District Activity Fund	Student Activity Fund	Debt Service Fund	Total Other Governmental Funds
<b>Assets</b>						
Cash	\$ 83,984	\$ 437,568	\$ 68,353	\$ 149,571	\$ -	\$ 739,476
Total assets	\$ 83,984	\$ 437,568	\$ 68,353	\$ 149,571	\$ -	\$ 739,476
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 1,550	\$ -	\$ -	\$ 1,550
Total liabilities	-	-	1,550	-	-	1,550
<b>Fund Balances</b>						
Restricted	83,984	437,568	-	149,571	-	671,123
Assigned	-	-	66,803	-	-	66,803
Total fund balances	83,984	437,568	66,803	149,571	-	737,926
Total liabilities and fund balances	\$ 83,984	\$ 437,568	\$ 68,353	\$ 149,571	\$ -	\$ 739,476

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

<i>For the year ended June 30, 2024</i>	<b>SEEK Fund</b>	<b>FSPK Fund</b>	<b>District Activity Fund</b>	<b>Student Activity Fund</b>	<b>Debt Service Fund</b>	<b>Total Other Governmental Funds</b>
<b>Revenues</b>						
From local sources:						
Taxes:						
Property	\$ -	\$ 502,421	\$ -	\$ -	\$ -	\$ 502,421
Earnings on investments	10,849	17,489	-	-	-	28,338
Other local revenue	-	-	125,422	172,197	-	297,619
Intergovernmental - state	161,875	319,904	-	-	226,107	707,886
<b>Total revenues</b>	<b>172,724</b>	<b>839,814</b>	<b>125,422</b>	<b>172,197</b>	<b>226,107</b>	<b>1,536,264</b>
<b>Expenditures</b>						
Current:						
Instruction	-	-	133,381	158,946	-	292,327
Support services:						
Student transportation	-	-	-	713	-	713
Debt service:						
Principal	-	-	-	-	891,000	891,000
Interest	-	-	-	-	255,264	255,264
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>133,381</b>	<b>159,659</b>	<b>1,146,264</b>	<b>1,439,304</b>
Excess (deficiency) of revenues over expenditures	172,724	839,814	(7,959)	12,538	(920,157)	96,960

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

<i>For the year ended June 30, 2024</i>	<b>SEEK Fund</b>	<b>FSPK Fund</b>	<b>District Activity Fund</b>	<b>Student Activity Fund</b>	<b>Debt Service Fund</b>	<b>Total Other Governmental Funds</b>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-	-	97	-	920,157	920,254
Operating transfers out	(172,724)	(810,804)	-	(97)	-	(983,625)
<b>Total other financing sources (uses)</b>	<b>(172,724)</b>	<b>(810,804)</b>	<b>97</b>	<b>(97)</b>	<b>920,157</b>	<b>(63,371)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>29,010</b>	<b>(7,862)</b>	<b>12,441</b>	<b>-</b>	<b>33,589</b>
<b>Fund balance - beginning of year</b>	<b>83,984</b>	<b>408,558</b>	<b>74,665</b>	<b>137,130</b>	<b>-</b>	<b>704,337</b>
<b>Fund balance - end of year</b>	<b>\$ 83,984</b>	<b>\$ 437,568</b>	<b>\$ 66,803</b>	<b>\$ 149,571</b>	<b>\$ -</b>	<b>\$ 737,926</b>

**Edmonson County School District**  
**Combining Statement of School Activity Funds**

<i>As of and for the year ended June 30, 2024</i>	<b>Cash July 1, 2023</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Cash June 30, 2024</b>	<b>Fund Balance June 30, 2024</b>
Edmonson County High School	\$ 97,406	\$ 131,008	\$ 120,735	\$ 107,679	\$ 107,679
Edmonson County Middle School	11,066	11,064	11,229	10,901	10,901
Fifth - Sixth Center	3,819	2,689	3,617	2,891	2,891
Kyrock Elementary School	14,068	9,982	11,283	12,767	12,767
South Edmonson Elementary School	10,771	17,454	12,892	15,333	15,333
<b>Total</b>	<b>\$ 137,130</b>	<b>\$ 172,197</b>	<b>\$ 159,756</b>	<b>\$ 149,571</b>	<b>\$ 149,571</b>

**Edmonson County School District**  
**Statement of School Activity Funds**  
**Edmonson County High School**

<i>As of and for the year ended June 30, 2024</i>	<b>Cash July 1, 2023</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers</b>	<b>Cash June 30, 2024</b>	<b>Fund Balance June 30, 2024</b>
Teacher	\$ 800	\$ 476	\$ 118	\$ -	\$ 1,158	\$ 1,158
Student Generated	3,173	8,189	2,690	(901)	7,771	7,771
Locker	-	4	-	(4)	-	-
Parking	-	670	-	(670)	-	-
Classroom Fees	-	4,581	-	(4,581)	-	-
Counselor Rewards	404	-	-	-	404	404
Emp/Skills/T-Shirt	952	2,912	3,792	1,848	1,920	1,920
PSAT	-	216	294	-	(78)	(78)
Cats Corner	5,689	2,950	2,237	-	6,402	6,402
Advanced Placement	750	63	292	-	521	521
Outdoor Society	-	360	138	-	222	222
FFA	2,671	13,753	12,730	-	3,694	3,694
Farm and Greenhouse	19,768	4,162	1,447	-	22,483	22,483
DECA	338	5,697	3,269	-	2,766	2,766
HOSA	762	2,640	2,071	(536)	795	795
Yearbook	18,214	17,936	17,266	-	18,884	18,884
Art Club	351	1,060	866	-	545	545
Drama	1,504	5,221	5,255	-	1,470	1,470
+1 Club	655	1,274	748	-	1,181	1,181
Prom	17,894	5,648	9,688	-	13,854	13,854
Skills U	4,336	3,518	3,837	(324)	3,693	3,693
Welding	364	-	-	-	364	364
Autoshop	99	-	-	(99)	-	-
Woodworking	6,465	695	-	-	7,160	7,160
FMD	351	1,336	1,520	-	167	167
Senior Trip	451	28,908	29,105	-	254	254
Beta Club	4,744	5,480	5,675	-	4,549	4,549
SADD	80	573	763	-	(110)	(110)

**Edmonson County School District**  
**Statement of School Activity Funds**  
**Edmonson County High School**

<i>As of and for the year ended June 30, 2024</i>	<b>Cash July 1, 2023</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers</b>	<b>Cash June 30, 2024</b>	<b>Fund Balance June 30, 2024</b>
Literary Club	969	3,200	3,029	-	1,140	1,140
Horticulture Club	15	1,379	862	-	532	532
Math Club	934	280	212	(267)	735	735
Pep Club	967	2,080	2,387	-	660	660
International Club	972	180	183	-	969	969
Academic Team	72	-	-	-	72	72
The Wildcat Initiative	-	202	58	-	144	144
FCA	34	-	-	-	34	34
Science Club	1,427	3,031	2,639	-	1,819	1,819
3 Corners	-	807	507	-	300	300
JAG	1,052	1,277	797	(721)	811	811
Senior Field Day	-	-	623	1,000	377	377
4-H Club	149	250	382	-	17	17
SWEEP	-	-	5,255	5,255	-	-
<b>Total</b>	<b>\$ 97,406</b>	<b>\$ 131,008</b>	<b>\$ 120,735</b>	<b>\$ -</b>	<b>\$ 107,679</b>	<b>\$ 107,679</b>



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

For the year ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Child Nutrition Cluster				
Direct Program				
Food Distribution Program - noncash	10.555	-	\$ -	\$ 36,783
Passed-Through State Department of Education:				
School Breakfast Program	10.553	7760005 24	-	372,565
COVID-19 National School Lunch Program	10.555	9980000 22	-	60,592
Summer Food Service Program for Children	10.559	7740023 23	-	1,845
National School Lunch Program	10.555	7750002 23	-	<u>877,049</u>
Subtotal				1,348,834
State Administrative Expenses for Child Nutrition	10.560	7700001 22	-	<u>4,300</u>
Total U.S. Department of Agriculture				1,353,134
<b>U.S. Department of Treasury</b>				
Direct Program:				
COVID-19 - Emergency Connectivity Fund Program	32.009		-	(4,147)
Total Federal Communications Commission				(4,147)
<b>U.S. Department of Education</b>				
Direct Program				
Impact Aid	84.041	-	-	129,034
Passed-Through State Department of Education:				
Title I, Part A				
Title I Grants to Local Educational Agencies - 2023	84.010	3100002 22	-	87,456
Title I Grants to Local Educational Agencies - 2024	84.010	3100002 23	-	<u>419,166</u>
Subtotal				506,622
Title IV				
Title IV Student Support and Academic Enrichment Program - 2021	84.424	3420002 20	-	(20,489)
Title IV Student Support and Academic Enrichment Program - 2022	84.424	3420002 21	-	1,546
Title IV Student Support and Academic Enrichment Program - 2023	84.424	3420002 22	-	28,550
Title IV Student Support and Academic Enrichment Program - 2024	84.424	3420002 23	-	<u>32,593</u>
Subtotal				42,200

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

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

*For the year ended June 30, 2024*

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Special Education Cluster				
Special Education Grants to States - 2023	84.027	3810002 22	-	331,592
Special Education Grants to States - 2024	84.027	3810002 23	-	139,330
Special Education Preschool Grants - 2020	84.173	3800002 19	-	97
Special Education Preschool Grants - 2022	84.173	3800002 21	-	531
Special Education Preschool Grants - 2023	84.173	3800002 22	-	1,355
Special Education Preschool Grants - 2024	84.173	3800002 23	-	19,152
COVID-19 Special Education Grants to States - 2022	84.027	4910002-21	-	17,130
Subtotal				509,187
Career and Technical Education -Basic Grants to States - 2023	84.048	3710002 22	-	1,766
Career and Technical Education -Basic Grants to States - 2024	84.048	3710002 23	-	24,549
Subtotal				26,315
Rural Education - 2022	85.358	3140002 21	-	13,970
Rural Education - 2023	85.358	3140002 22	-	15,364
Rural Education - 2024	85.358	3140002 23	-	12,552
Subtotal				41,886
Supporting Effective Instruction State Grants - 2023	84.367	3230002 22	-	10,199
Supporting Effective Instruction State Grants - 2024	84.367	3230002 23	-	67,766
Subtotal				77,965
COVID-19: Education Stabilization Fund				
COVID-19 - Education Stabilization Fund	84.425D	4000002 20	-	9,730
COVID-19 - Education Stabilization Fund	84.425C	4200002 21	-	9,808
COVID-19 - Education Stabilization Fund	84.425D	4200002 21	-	(10,669)
COVID-19 - Education Stabilization Fund	84.425U	4200002 21	-	1,013,280
Subtotal				1,022,149
Passed-Through State Workforce Cabinet:				
Adult Basic Education - Grants to States - 2023	84.002	373J	-	200
Adult Basic Education - Grants to States - 2024	84.002	373K	-	113,704
Adult Basic Education - Grants to States - 2023	84.002	365J	-	3,781
Adult Basic Education - Grants to States - 2024	84.002	365K	-	63,703
Subtotal				181,388
Total U.S. Department of Education				2,536,746
Total Expenditures of Federal Awards			\$ -	\$ 3,885,733

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

## Edmonson County School District

### Notes to the Schedule of Expenditures of Federal Awards

#### NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Edmonson County School District (the "District") under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

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

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

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

#### NOTE 3: INDIRECT COST RATE

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

Child Nutrition Cluster

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

#### NOTE 4: LOANS AND LOAN GUARANTEES

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

#### NOTE 5: SUBRECIPIENTS

The District did not provide federal funds to subrecipients for the fiscal year ended June 30, 2024.

**Edmonson County School District  
Summary Schedule of Prior Audit Findings**

No findings were reported in the June 30, 2023 audit.

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

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Edmonson County School District  
Brownsville, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits as defined in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Edmonson County School District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Edmonson County School District's basic financial statements, and have issued our report thereon dated November 14, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

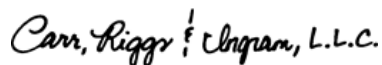
### **Report on Compliance and Other Matters**

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

We noted certain matters that we reported to management of the District in a separate letter dated November 14, 2024.

### **Purpose of this Report**

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



CARR, RIGGS & INGRAM, LLC  
Bowling Green, Kentucky  
November 14, 2024

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

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Edmonson County School District  
Brownsville, Kentucky

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

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

We have audited Edmonson County School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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



## Report on Internal Control over Compliance

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

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

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

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

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

CARR, RIGGS & INGRAM, LLC  
Bowling Green, Kentucky  
November 14, 2024

# Edmonson County School District

## Schedule of Findings and Questioned Costs

### Section I — Summary of Auditor's Results

#### Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of Auditor's report issued on compliance for major Federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a))? ☐ Yes ☒ No

Identification of major Federal program:

Federal Assistance Listing Numbers	Name of Federal Program or Cluster
10.553 / 10.555 / 10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

**Edmonson County School District  
Schedule of Findings and Questioned Costs**

**Section II — Financial Statement Findings**

None reported.

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

None reported.

Kentucky State Committee for School District Audits  
Members of the Board of Education  
Edmonson County School District  
Brownsville, Kentucky

In planning and performing our audit of the financial statements of Edmonson County School District (the "District") for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated November 14, 2024 contains our report on the District's internal control. This letter does not affect our report dated November 14, 2024 on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and recommendations with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

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

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

CARR, RIGGS & INGRAM, LLC  
Bowling Green, Kentucky  
November 14, 2024

## **Edmonson County School District Comments and Recommendations**

### **Current Year Comments**

#### **Kyrock Elementary School**

- During our testing of disbursements, we noted one disbursement that lacked supporting documentation. We recommend that all disbursements have supporting documentation in accordance with Redbook.

#### **Edmonson County High School**

- In our procedures over activity funds, we noted two activity funds with deficit balances at June 30, 2024. We recommend appropriate transfers be made to cover deficit balances in accordance with Redbook.

### **Prior Year Comments**

All prior year comments were corrected.

## Edmonson County School District Management Responses

### *Edmonson County Board of Education*

*BRIAN ALEXANDER, SUPERINTENDENT*

100 Wildcat Way, P.O. Box 129

Brownsville, KY 42210

Phone: 270-597-2101 - Fax: 270-597-2103

Fiscal Year 2024

Management Letter Response:

Kyrock Elementary School

- Kyrock issued a refund to a student for trip fees paid and the trip was subsequently canceled. Management will discuss documentation procedures for student refunds and make sure they are implemented.

Edmonson County High School

- District Management will discuss the review process with the ECHS bookkeeper to ensure activity fund balances are reviewed for deficit balances and transfers made accordingly.



# THOUGHT LEADERSHIP



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### CRI's CEO ACTION FOR DIVERSITY AND INCLUSION

Carr, Riggs & Ingram is committed to fostering an inclusive and diverse place for all employees to work in and engage. When our managing partner and chairman, Bill Carr, signed the CEO Action for Diversity & Inclusion™ pledge, he made a public commitment to building a productive, diverse, and inclusive workplace. [Learn more about CRI's commitment to Diversity and Inclusion.](#)



## **APPENDIX F**

**Board of Education of Edmonson County, Kentucky**

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**Statement of Indebtedness**

**STATEMENT OF INDEBTEDNESS**

**KY CONST. §§ 157 and 158**

KRS § 66.041

COMMONWEALTH OF KENTUCKY	)	
	)	SS
COUNTY OF EDMONSON	)	

The undersigned, as the Treasurer of the Board of Education of the Edmonson County School District (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   | \$1,235,426,955      |
| 2. The current population of the District is   | 12,635               |
| 3. The total amount of all bonds, notes, and other obligations of the District issued and outstanding, including the present Bonds of \$24,700,000*  | \$40,866,000*        |
| 4. 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 | \$16,166,000         |
| (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  | \$0                  |
| (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   | <u>\$16,166,000*</u> |

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\* Preliminary, subject to change.

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 (Line 3 minus Line 4) is \$24,700,000\*
6. 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.\*\*
7. The current tax rate of the District, for school purposes, upon the value of its taxable property is \$.459 per \$100 of assessed valuation for real property and \$.459 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.
8. 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 December 16, 2025.

By: \_\_\_\_\_

Treasurer

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\* 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 G**

**Board of Education of Edmonson County, Kentucky**

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**Form of Approving Legal Opinion of Bond Counsel**



101 S. 5th Street, Suite 3200  
Louisville, Kentucky 40202  
Telephone: 502-423-2000  
Telefax: 502-423-2001  
www.steptoehjohnson.com

\_\_\_\_\_, 2025

Board of Education of Edmonson County, Kentucky  
Brownsville, Kentucky

Ladies and Gentlemen:

We have served as bond counsel to the Board of Education of Edmonson County, Kentucky (“Board”) and in such capacity have examined the transcript of proceedings for the issue of \$24,700,000 Board of Education of Edmonson County, Kentucky General Obligation Bonds, Series 2025 (the “Bonds”), dated December 16, 2025, numbered R-1 upward, and of denominations of \$5,000 or any integral multiple thereof. The Bonds are issued by the Board on behalf of the Edmonson 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 Board, without limitation as to rate or amount.

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.

## **APPENDIX H**

**Board of Education of Edmonson County, Kentucky**

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**Form of Continuing Disclosure Certificate**

## CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (this “Certificate”) is executed and delivered as of December 16, 2025, by the Board of Education of Edmonson County, Kentucky (the “Issuer”), in connection with the issuance and delivery of \$24,700,000 aggregate principal amount of General Obligation Bonds, Series 2025 (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 November 10, 2025 (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 November 25, 2025.

“Operating Data” means an update of certain operating data of the Issuer, which is limited to the information set forth in Appendix A of the FOS under the heading “TAX BASE AND OPERATING DATA”.

“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, 2025, 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 Edmonson County, Kentucky  
100 Wildcat Way  
Brownsville, Kentucky 42210  
Attention: Chief Financial Officer  
Telephone: (270) 597.2101

[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  
EDMONSON COUNTY, KENTUCKY**

\_\_\_\_\_  
Chairperson

Attest:

\_\_\_\_\_  
Secretary

## **APPENDIX I**

**Board of Education of Edmonson County, Kentucky**

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**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](http://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.

## **APPENDIX J**

**Board of Education of Edmonson County, Kentucky**

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**Official Terms and Conditions of Bond Sale**

## OFFICIAL TERMS AND CONDITIONS OF BOND SALE

\$24,700,000\*

### BOARD OF EDUCATION OF EDMONSON COUNTY, KENTUCKY GENERAL OBLIGATION BONDS, SERIES 2025

Notice is hereby given that electronic bids will be received by the Board of Education of Edmonson County, Kentucky (the “Board”), until 11:30 AM E.S.T. on November 25, 2025, at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 200 Mero Street, 5<sup>th</sup> Floor, Frankfort, Kentucky 40622, receive sealed, competitive bids for the bonds of the Board described herein (the “Bonds”). To be considered, Bids must be submitted on an Official Bid Form and delivered to the Secretary of the Board at the address indicated, on the date of sale, no later than the hour indicated. Alternatively, electronic bids for the Bonds may be submitted through the BiDCOMP™/PARITY™ system, as described herein. Bids will be opened by the Secretary and may be accepted without further action by the Board.

#### STATUTORY AUTHORITY, PURPOSE OF ISSUE, AND SECURITY

The Bonds are authorized by Sections 66.011 to 66.191, inclusive, of Kentucky Revised Statutes, as amended (the “General Obligation Act”), and Section 160.160 of Kentucky Revised Statutes, as amended, and are being issued under and in accordance with a Bond Resolution adopted by the Board on November 10, 2025 (the “Bond Resolution”). The Bonds are general obligation bonds and constitute a direct indebtedness of the Board. The Bonds are issued by the Board on behalf of and for the benefit of the Edmonson County School District (“District”). The Bonds are secured by the Board’s ability to levy, and its pledge to levy, an ad valorem tax on all property within the District in a sufficient amount to pay the principal of, and interest on the Bonds when due.

Although the Board is obligated to pay the full amount of the principal and interest requirements for the Bonds for each year, the Board has issued the Bonds in reliance upon a Participation Agreement by and between the Board and the Kentucky School Facilities Construction Commission (the “Commission”). Under the terms of the Participation Agreement, the Commission has agreed to pay annually directly to the Paying Agent for the Bonds a stated Agreed Participation equal to approximately 3.6% of the annual debt service requirements for the Bonds until their retirement, subject to the constitutional restrictions limiting the commitment to the biennium.

The Bonds are being issued for the purposes of (i) financing the costs of the acquisition, construction, installation, and equipping of a new Kyrock Elementary School (the “Project”) and (ii) paying all or a portion of the costs of issuance of the Bonds. The District anticipates issuing an additional series of bonds in the approximate principal amount of \$5,000,000 during calendar year 2026 to fund completion of the Project.

#### BOND MATURITIES, PRIOR REDEMPTION PROVISIONS, AND PAYING AGENT

The Bonds shall be dated their date of initial issuance and delivery, bearing interest from such date, payable on each June and December 1, commencing June 1, 2026.

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\* Preliminary, subject to Permitted Adjustment as described herein.

The Bonds are scheduled to mature on December 1, in each of the years as follows:

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
Dec. 1, 2026	\$570,000	Dec. 1, 2038	\$925,000
Dec. 1, 2027	580,000	Dec. 1, 2039	960,000
Dec. 1, 2028	600,000	Dec. 1, 2040	1,000,000
Dec. 1, 2029	620,000	Dec. 1, 2041	1,045,000
Dec. 1, 2030	635,000	Dec. 1, 2042	1,190,000
Dec. 1, 2031	655,000	Dec. 1, 2043	1,245,000
Dec. 1, 2032	675,000	Dec. 1, 2044	1,215,000
Dec. 1, 2033	695,000	Dec. 1, 2045	1,255,000
Dec. 1, 2034	715,000	Dec. 1, 2046	1,255,000
Dec. 1, 2035	740,000	Dec. 1, 2047	1,315,000
Dec. 1, 2036	860,000	Dec. 1, 2048	1,385,000
Dec. 1, 2037	890,000	Dec. 1, 2049	1,450,000
		Dec. 1, 2050	2,225,000

The Bonds maturing on or after December 1, 2035 are subject to optional redemption on December 1, 2034 or any date thereafter, in whole or in part, in such order of maturity as shall be designated in writing by the District, and by lot within a maturity, at the election of the Board upon thirty-five days' written notice to U.S. Bank Trust Company, National Association, Louisville, Kentucky, as Paying Agent and Registrar for the Bonds (the "Paying Agent and Registrar") at a redemption price equal to the par amount thereof, plus accrued interest to the date of redemption.

At least thirty days before the redemption date of any Bonds, the Paying Agent and Registrar shall cause a notice of such redemption either in whole or in part, signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. Each such notice 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 number or letters, if any, of such Bonds to be redeemed.

#### BIDDING CONDITIONS AND RESTRICTIONS

The terms and conditions of the sale of the Bonds are as follows:

(i) Bid Form. Bids shall be for the entire issue and shall be made on the Official Bid Form in order to provide for uniformity in submission of bids and ready determination of the lowest and best bid.

(ii) Minimum/Maximum Bid. Bidders are required to bid for the entire issue of Bonds at a minimum price of not less than \$24,206,000 (98% of par), PAYABLE IN IMMEDIATELY AVAILABLE FUNDS.

(iii) Maximum Net Interest Cost. The maximum permissible net interest cost for the Bonds shall not exceed "The Bond Buyer's" Index of 20 Municipal Bonds as established on the Thursday immediately preceding the sale of said Bonds plus 1.50%.

(iv) Award; Adjustment. The determination of the best purchase bid for each of the Bonds will be made on the basis of the lowest true interest rate to be calculated as that rate (or yield) which, when used in computing the present worth of all payments of principal and interest on the

\* Preliminary, subject to Permitted Adjustment as described herein.

Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds, as set forth in the Official Bid Form for the Bonds, for exactly \$24,700,000 principal amount of Bonds offered for sale hereunder. Upon determination of the lowest true interest rate, the principal amounts of the Bonds shall be immediately adjusted by the Board in order to determine the maturities of the final bond issue. The successful bidder will be required to accept the Bonds in the amounts so computed, whether the principal amount has been increased by up to 10% of the principal amount of Bonds offered for sale or decreased in an amount deemed by the Board to be in the best interest of the Board (the "Permitted Adjustment") and to pay the purchase price based upon the aggregate amount of the final issue.

The Board also has the right to adjust individual principal maturity amounts, even if the total amount of the Bonds does not change, in order to promote the desired annual debt service levels. In the event that the principal amount of any maturity of the Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount of the Bonds, as submitted by the successful bidder, will be held constant. The Underwriter's Discount is defined as the difference between the purchase price of the Bonds submitted by the successful bidder and the price at which the Bonds will be offered to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid.

(v) Good Faith Deposit. The successful purchaser shall be required (without further advice from the Board) to wire transfer an amount equal to 2% of the par amount of the Bonds to the Paying Agent by the close of business of the day following the award as a good faith deposit. The good faith deposit will be applied (without interest) to the purchase price of the Bonds upon the delivery thereof, and will be forfeited if the purchaser fails to take delivery of the Bonds.

(vi) Interest Rates. Bidders must stipulate interest rates in multiples of 1/8, 1/10, or 1/20 of 1%. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. There is no limit on the number of different interest rates. Interest rates may not exceed 6.00% per annum.

(vii) Submission of Bids. Each bid, if submitted in physical form, must be on the Official Bid Form shall be placed in a sealed envelope addressed to the Board, and on the outside of the envelope, there shall appear a legend identifying the same as being a bid for the "Board of Education of Edmonson County, Kentucky General Obligation Bonds, Series of 2025." Bids may also be submitted in electronic form as set forth below. No bid will be given consideration unless it is actually received or is in the process of telephonic transfer in the office of the School Facilities Construction Commission before the time set forth at the beginning of these Official Terms and Conditions.

Electronic proposals will be received via BIDCOMP™/PARITY™, in the manner prescribed by these Official Terms and Conditions, until 11:30 AM E.S.T., on November 25, 2025, and no bid received after such time shall be accepted. Electronic bids for the Bonds must be submitted through the BIDCOMP™/PARITY™ system, and no other provider of electronic bidding services will be accepted. A subscription to the BiDCOMP™/PARITY™ System is required in order to submit an electronic bid for the Bonds. The Board will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time maintained by BiDCOMP™/PARITY™ shall constitute the official time with respect to all bids, whether in electronic or written form. Electronic bids made through the BiDCOMP™/PARITY™ facilities shall be deemed an offer to purchase in response to the Notice of Bond Sale, and shall be binding upon such bidders as if made by signed, sealed, and written bids delivered to the Board. The Board shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by BiDCOMP™/PARITY™. The use of BiDCOMP™/PARITY™ facilities are at the sole risk of the prospective bidders. To the extent any instructions or directions provided by the

BIDCOMP™/PARITY™ system conflict with these Official Terms and Conditions, the terms of these Official Terms and Conditions shall control. For additional information regarding the BIDCOMP™/PARITY™ system, potential bidders may contact the Independent Registered Municipal Advisor or BIDCOMP™/PARITY™ at 40 West 23rd Street, 5th Floor, New York, New York 10010, Telephone: (212) 404-8102.

(viii) Term Bond Option. The purchaser of the Bonds may specify that any of the Bonds maturing in any two or more consecutive years may, in lieu of maturing in each of such years, be combined to comprise a Term Bond, bearing a single rate of interest, maturing in the latest of such years, and subject to mandatory sinking fund redemption at par in each of the years and in the principal amounts of such Bonds comprising such Term Bond, which principal amount shall mature in that year.

(ix) Bond Insurance. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal of and/or interest on the Bonds, the Board agrees that it will cooperate with the successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder and the Board shall not be liable to any extent therefor.

(x) DTC. The successful bidder may also elect to notify the Independent Registered Municipal Advisor within twenty-four hours of the award that standard bond certificates be issued. If no such election is made, the Bonds will be delivered using the book-entry only system administered by DTC.

(xi) Acceptance of Bid. The Board will accept a bid or reject all bids on the date stated at the beginning of these Official Terms and Conditions.

(xii) Right to Reject Bids. The right to reject bids for any reason deemed advisable by the Board and the right to waive any possible informalities or irregularities in any bid which, in the judgment of the Board, shall be minor or immaterial is expressly reserved.

(xiii) Official Statement. The Board will provide the successful purchaser of the Bonds with a Final Official Statement, in accordance with Securities and Exchange Commission Rule 15c2-12, as amended. The Final Official Statement will be provided to the purchaser of the Bonds in electronic form, in sufficient time to meet the delivery requirements of the SEC and the Municipal Securities Rulemaking Board. The purchaser will be required to pay for the printing of the Final Official Statement.

(xiv) CUSIPs. CUSIP identification numbers will be printed on the Bonds at the expense of the District. The purchaser shall pay the CUSIP Service Bureau Charge. Improper imprintation or the failure to imprint CUSIP numbers shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of any accepted proposal for the purchase of the Bonds.

(xv) Rights Reserved. The Board reserves the right to reject any and all bids for the Bonds, to waive any informality in any bid, or, upon 24 hours advance notice before the sale date provided through the BiDCOMP™/PARITY™ system, to postpone the sale date of the Bonds. The Bonds are offered for sale subject to the principal of and interest on the Bonds not being subject to federal income taxation nor being subject to Kentucky income taxation or Kentucky ad valorem taxation on the date of their delivery to the purchaser, all in accordance with the final approving legal opinion of Steptoe & Johnson PLLC, Louisville, Kentucky, which opinion will be qualified in accordance with the section hereof on TAX TREATMENT.

(xvi) Independent Registered Municipal Advisor. Bidders are advised that Robert W. Baird & Co., Inc., Louisville, Kentucky has been employed as an Independent Registered Municipal Advisor in connection with the issuance of the Bonds. Its fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof.

(xvii) Purchaser Certification. The purchaser of the Bonds shall assist the Board in establishing the issue price of the Bonds and shall execute and deliver to the Board at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the Board under these Official Terms and Conditions to establish the issue price of the Bonds may be taken on behalf of the Board by the Board’s Independent Registered Municipal Advisor identified herein and any notice or report to be provided to the Board shall be provided to the Board’s Independent Registered Municipal Advisor.

The Board intends that the provisions of Treasury Regulation § 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of each of the Bonds (the “competitive sale requirements”) because:

- (1) the Board shall disseminate these Official Terms and Conditions of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Board may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Board anticipates awarding the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth herein.

Any bid submitted pursuant to these Official Terms and Conditions shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

If the competitive sale requirements are not satisfied, the Board shall advise the applicable winning bidder. The Board will treat the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and, if different interest rates apply within any maturity, to each separate CUSIP number within that maturity). Bids will not be subject to cancellation in the event that the Board determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids for the Bonds on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

If the competitive sale requirements are not satisfied, the winning bidder for the Bonds shall assist the Board in establishing the issue price of the Bonds and shall execute and deliver to the Board at Closing an “issue price” or similar certificate setting forth the hold-the-offering-price rule as the issue price of that maturity, in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

The Board acknowledges that, in making the representations set forth above, the winning bidder will rely on (a) the agreement of each underwriter to comply with the hold-the-offering-price

rule, as set forth in an agreement among underwriters and the related pricing wires; (b) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires; and (c) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Board further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid for the Bonds, each bidder confirms that: (1) any agreement among underwriters, any selling group agreement, and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires; and (2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

## CONTINUING DISCLOSURE

In accordance with Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”), the Board will execute and deliver a Continuing Disclosure Certificate to be dated the date of issuance of the Bonds (the “Continuing Disclosure Certificate”), the form of which is attached to the Preliminary Official Statement, for the benefit of all parties who may become registered owners or beneficial owners of the Bonds from time to time. Under the Continuing Disclosure Certificate, so long as the Bonds remain outstanding, the Board will agree to comply with the provisions of the Rule.

The Board intends to file all future Annual Financial Information within the time requirements set forth in the Continuing Disclosure Certificate and has adopted policies and procedures to ensure the timely filing thereof. The Board’s policies and procedures are available to the public upon request.

## TAX TREATMENT

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Bonds will be excludible from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”) and will not be an item of tax preference for purposes of 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. Further, Bond Counsel is of the opinion that interest on the Bonds is exempt from income taxation and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

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

A copy of the approving legal opinion of Bond Counsel for the Bonds is attached to the Preliminary Official Statement.

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 Board 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.

BOARD OF EDUCATION OF  
EDMONSON COUNTY, KENTUCKY

By: /s/ Brian Alexander, Secretary

**APPENDIX K**

**Board of Education of Edmonson County, Kentucky**

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**Official Bid Form**

OFFICIAL BID FORM  
BOARD OF EDUCATION OF EDMONSON COUNTY, KENTUCKY  
GENERAL OBLIGATION BONDS, SERIES 2025

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for \$24,700,000 of General Obligation Bonds, Series 2025 (the “Bonds”), dated their date of initial issuance and delivery, offered for sale by the Board of Education of Edmonson County, Kentucky (the “Board”) in accordance with the Preliminary Official Statement dated November 18, 2025 and the related Notice of Bond Sale, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase the Bonds.

We hereby bid for the \$24,700,000 principal amount of the Bonds, the total sum of \$\_\_\_\_\_ (not less than \$24,206,000 and not more than \$26,429,000) at the following annual rate(s), payable semiannually (rates of any maturity may be less than any preceding maturity, number of interest rates unlimited but no rate may exceed 6.00%.

<u>Maturity</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>
Dec. 1, 2026	\$570,000	_____ %	Dec. 1, 2038	\$925,000	_____ %
Dec. 1, 2027	580,000	_____ %	Dec. 1, 2039	960,000	_____ %
Dec. 1, 2028	600,000	_____ %	Dec. 1, 2040	1,000,000	_____ %
Dec. 1, 2029	620,000	_____ %	Dec. 1, 2041	1,045,000	_____ %
Dec. 1, 2030	635,000	_____ %	Dec. 1, 2042	1,190,000	_____ %
Dec. 1, 2031	655,000	_____ %	Dec. 1, 2043	1,245,000	_____ %
Dec. 1, 2032	675,000	_____ %	Dec. 1, 2044	1,215,000	_____ %
Dec. 1, 2033	695,000	_____ %	Dec. 1, 2045	1,255,000	_____ %
Dec. 1, 2034	715,000	_____ %	Dec. 1, 2046	1,255,000	_____ %
Dec. 1, 2035	740,000	_____ %	Dec. 1, 2047	1,315,000	_____ %
Dec. 1, 2036	860,000	_____ %	Dec. 1, 2048	1,385,000	_____ %
Dec. 1, 2037	890,000	_____ %	Dec. 1, 2049	1,450,000	_____ %
			Dec. 1, 2050	2,225,000	_____ %

The Bonds maturing in the following years:\_\_\_\_\_ are sinking fund redemption amounts for term bonds due \_\_\_\_\_. The Bonds maturing in the following years: \_\_\_\_\_ are sinking fund redemption amounts for term bonds due \_\_\_\_\_.

Bids may be submitted electronically via BiDCOMP™/PARITY™ pursuant to this Notice until the appointed date and time, but no bid will be received after such time. Notwithstanding the foregoing, completed bid forms may be submitted until the appointed date and time (i) in a sealed envelope marked “Official Bid for Bonds” or (ii) by facsimile transmission, in each case delivered to the office of the Executive Director of the Kentucky School Facilities Construction, 200 Mero Street, 5<sup>th</sup> Floor, Frankfort, Kentucky 40622. Neither the District nor the Independent Registered Municipal Advisor assumes any responsibility whatsoever with regard to the receipt of bids, or that adequate personnel and/or equipment are available to accept all facsimile transfers of bids before the appointed date and time of sale. Bidders have the sole responsibility of assuring that their bids have been received via facsimile or have been delivered before the appointed date and time of sale. Any bids in progress by facsimile at the appointed time will be considered as received by the appointed time. No bids will be received via telephone.

We understand this bid may be accepted with variations in maturing amounts.

It is understood that the Board will furnish the final, approving legal opinion Steptoe & Johnson PLLC, Bond Counsel, Louisville, Kentucky.

No certified or bank cashier’s check will be required to accompany the bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close

of business on the day following the award. The good faith amount will be applied (without interest) to the purchase price when the Bonds are tendered for delivery.

If we are the successful bidder, we agree to accept and make payment for the Bonds in federal funds within forty-five days from the date of sale in accordance with the terms of the sale.

Respectfully submitted,

\_\_\_\_\_  
Bidder

\_\_\_\_\_  
Address

By: \_\_\_\_\_  
Signature

Total interest cost: Date of Delivery (estimated to be December 16, 2025) to Final Maturity \$ \_\_\_\_\_

(Less Premium) or Plus Discount, if any \$ \_\_\_\_\_

Aggregate interest cost \$ \_\_\_\_\_

True interest cost (i.e. TIC) \_\_\_\_\_%

The above computation of true interest cost is submitted for information only and is not a part of this Bid.

Accepted by the Secretary of the Board of Education of Edmonson County, Kentucky for \$ \_\_\_\_\_ principal amount of Bonds at the price of \$ \_\_\_\_\_ as follows:

<u>Maturity</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
Dec. 1, 2026	\$ _____	_____ %	Dec. 1, 2038	\$ _____	_____ %
Dec. 1, 2027	\$ _____	_____ %	Dec. 1, 2039	\$ _____	_____ %
Dec. 1, 2028	\$ _____	_____ %	Dec. 1, 2040	\$ _____	_____ %
Dec. 1, 2029	\$ _____	_____ %	Dec. 1, 2041	\$ _____	_____ %
Dec. 1, 2030	\$ _____	_____ %	Dec. 1, 2042	\$ _____	_____ %
Dec. 1, 2031	\$ _____	_____ %	Dec. 1, 2043	\$ _____	_____ %
Dec. 1, 2032	\$ _____	_____ %	Dec. 1, 2044	\$ _____	_____ %
Dec. 1, 2033	\$ _____	_____ %	Dec. 1, 2045	\$ _____	_____ %
Dec. 1, 2034	\$ _____	_____ %	Dec. 1, 2046	\$ _____	_____ %
Dec. 1, 2035	\$ _____	_____ %	Dec. 1, 2047	\$ _____	_____ %
Dec. 1, 2036	\$ _____	_____ %	Dec. 1, 2048	\$ _____	_____ %
Dec. 1, 2037	\$ _____	_____ %	Dec. 1, 2049	\$ _____	_____ %
			Dec. 1, 2050	\$ _____	_____ %

\_\_\_\_\_  
Secretary, Board of Education  
of Edmonson County, Kentucky

Dated: November 25, 2025