

*Kim F. Quick*  
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January 8, 2026

Montgomery & Company, P.L.L.C.  
678 Metts Drive  
Lebanon, KY 40033

RE: Annual Audit of Elizabethtown Independent School District

Dear Sir or Madam:

Please let this serve as a response to your annual audit regarding the Elizabethtown Independent School District.

**I. Pending or Threatened Litigation, Claims, and Assessments (excluding unasserted claims and assessments)**

**1) The nature of the litigation**

There is a claim currently in litigation in which it is alleged that one minor student behaved inappropriately toward another minor student on a school bus. It is alleged that the bus driver was negligent in not preventing the inappropriate behavior.

**2) The progress of the matter to date**

The matter is in litigation, and a lawsuit has been filed. The bus driver and the minor student's mother who brought the lawsuit have been deposed in the matter, as well as the principal of the elementary school that the two minor students attended at the time the allegation was made. Additional depositions are scheduled to occur in February and March 2026.

**3) How management of Elizabethtown Independent School District is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out-of-court settlement**

The response of the Elizabethtown Independent Schools District has been to contest the case vigorously. However, case evaluation is performed on an ongoing basis; it could be that a settlement will be discussed and considered at some point during the litigation.

**4) An evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss**

This sort of case is difficult to evaluate in terms of predicting a favorable or unfavorable outcome. If it is proven that the alleged inappropriate conduct occurred, and if a jury believes that the bus driver was negligent in failing to prevent it, this could be a case where damages are in the high six to low seven figures (or more). Almost certainly, if the case goes to trial, the Plaintiff will ask a jury to award a seven figure verdict (i.e., millions of dollars). Conversely, if a jury found that the inappropriate conduct occurred but that the bus driver was not negligent, damages could be zero. It is difficult to predict with any accuracy what the outcome may be at this time, other than to say that a scenario where the Plaintiff prevails at trial would likely result in a very substantial (i.e., seven figure) damage award.

The district's insurer was notified of this claim at its inception and is providing and paying for a legal defense. There is insurance coverage, and the insurer would pay for any monetary damages awarded up to the policy limit.

**II. Unasserted Claims and Assessments**

I am not aware of any threatened (but unasserted) claims of litigation or assessments against the district at this time.

**III. Other Matters**

As of June 30, 2025, the district was indebted to the undersigned for unbilled services and expenses in the amount of \$510.00, and there was no outstanding balance of billed services at that time.

Sincerely,

RYAN F. QUICK

RFQ/srk