

**HICKMAN COUNTY
SCHOOL DISTRICT**

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

For the year ended June 30, 2025

Prepared by:

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TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-3
MANAGEMENT DISCUSSION AND ANALYSIS	4-11
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Fund Net Position – Proprietary Fund.....	18
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund.....	19
Statement of Cash Flows – Proprietary Fund.....	20
Statement of Fiduciary Net Position – Fiduciary Fund.....	21
Statement of Changes in Fiduciary Net Position – Fiduciary	22
Notes to the Financial Statements.....	23-56
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	57
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund.....	58
Schedule of the District’s Proportionate Share of the Net Pension Liability CERS and TRS.....	59
Schedule of Contributions CERS and TRS.....	60
Notes to Required Supplementary Information – PENSIONS.....	61-62
Schedule of the District’s Proportionate Share of the Net OPEB Liability – Medical and Life Insurance Plans – Teachers’ Retirement System.....	63
Schedule of Contributions - Medical and Life Insurance Plans – Teachers’ Retirement System	64

Schedule of the District’s Proportionate Share of the Net OPEB Liability - Health Insurance Plan – County Employee Retirement System.....	65
Schedule of Contributions - Health Insurance Plan – County Employee Retirement System	66
Notes to Required Supplementary Information - OPEB.....	67-68

SUPPLEMENTARY INFORMATION

Combining Statements – Nonmajor Funds and Other:

Combining Balance Sheet – Nonmajor Governmental Funds	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	70
Combining Balance Sheet – School Activity Funds.....	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - School Activity Funds.....	72
Statement of Revenues, Expenditures, and Changes in Fund Balance - Hickman County High School.....	73
Schedule of Expenditures of Federal Awards.....	74
Notes to the Schedule of Expenditures of Federal Awards.....	75

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 <i>GOVERNMENT AUDITING STANDARDS</i>.....	76-77
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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	78-80
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	81
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.....	82
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Hickman County School District
Clinton, KY

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 Hickman County School District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 *Auditor Responsibilities and States Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Adoption of New Accounting Standard

As discussed in Note A to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during the year ended June 30, 2025. The adoption of this statement resulted in a change in the accounting for compensated absences and a restatement of beginning net position as of June 30, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 information, and Schedules of the District's Proportionate Share of the Net Pension and OPEB Liability and Schedule of Contributions for CERS and TRS and Medical and Life and Health Insurance Plans comparison information on pages as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of

America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026, on our consideration of the 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 District's internal control over financial reporting and compliance.

Allen + Associates, PLLC

Richmond, KY
January 30, 2026

**HICKMAN COUNTY SCHOOL DISTRICT—CLINTON, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

Readers are encouraged to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The June 30, 2025 cash balance for the District was \$5,147,762, as compared with the beginning cash balance of \$3,915,900. The large increase in cash is attributable to an increase in SEEK funding as well as local property assessments.
- Government-wide net position increased by \$1,930,685 during the 2025 fiscal year. This increase is the result of several factors including increased SEEK and local tax revenue funding as well as a reduction in our net Pension and OPEB liabilities during the year.
- Long-term liabilities decreased by \$235,295. This was the net effect of paying down the principal on prior bond issues and capital lease obligations and a large decrease in the net pension and OPEB liabilities. This decrease was offset by a large increase in the sick leave liability due to implementation of GASB 101.
- The only major construction during 2024-25 was improvements to the Little League ballfields and concession stand funded by a \$495,963 grant through the county fiscal court. The District did also enclose the girls’ softball batting cage, and purchase multiple heating and air units as well as several pieces of new equipment, including new serving line equipment for the food service department.
- The General Fund had \$9,162,331 in revenue, which primarily consisted of the State program (SEEK), property, franchise, utilities, and motor vehicle taxes, as well as payments made on-behalf of the District by the State. In addition, there was a net of \$633,238 Other Financing Sources (Uses). The General Fund expenditures were \$8,675,441.
- General Fund revenue and Other Financing Sources (Uses) was \$1,412,914 more than the prior fiscal year and General Fund expenditures increased \$735,829. These increases are primarily due to increases in SEEK and local funding as well as increases in overall expenditures made during the current year.
- SEEK funding increased by \$713,653 from fiscal year ending June 30, 2024 to June 30, 2025 due to a \$226 per pupil increase in the guaranteed base funding and a significant

**HICKMAN COUNTY SCHOOL DISTRICT—CLINTON, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

increase in the transportation portion of the SEEK calculation. There was also a slight increase in student enrollment.

- **OVERVIEW OF FINANCIAL STATEMENTS**

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

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business. These statements include the Statement of Net Position and the Statement of Activities. In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct types of activities:

- Governmental activities – Most of the District’s programs and services are reported here, including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Proprietary (Business-Type) Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

The Statement of Net Position (on page 12) presents information on all of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities (on page 13) presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. There is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative

**HICKMAN COUNTY SCHOOL DISTRICT—CLINTON, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

software. The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Fund financial statements report the District’s operations in more detail than the government-wide statements by providing information about the District’s most significant funds. All of the funds of the District can be divided into two categories: governmental and proprietary (business-type) funds. The only proprietary fund is our food service operation. All other activities of the District are included in the governmental funds.

Fund financial statements start on page 14 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 start on page 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,972,296 as of June 30, 2025.

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

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

**HICKMAN COUNTY SCHOOL DISTRICT—CLINTON, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

Condensed Statement of Net Position

	6/30/2025	6/30/2024	Increase(Decrease)	
			\$	%
Assets				
Current and other	\$ 5,305,670	\$ 4,243,472	\$ 1,062,198	25.03%
Capital assets-net	8,789,596	8,760,843	28,753	0.33%
Total Assets	<u>14,095,266</u>	<u>13,004,315</u>	<u>1,090,951</u>	8.39%
Deferred Outflows of Resources	<u>1,462,695</u>	<u>1,872,675</u>	<u>(409,980)</u>	-21.89%
Liabilities				
Long-term liabilities	5,931,615	6,166,910	(235,295)	-3.82%
Other liabilities	<u>664,511</u>	<u>750,291</u>	<u>(85,780)</u>	-11.43%
Total Liabilities	<u>6,596,126</u>	<u>6,917,201</u>	<u>(321,075)</u>	-4.64%
Deferred Inflows of Resources	<u>1,989,538</u>	<u>2,553,313</u>	<u>(563,775)</u>	-22.08%
Net Position				
Net investment in capital assets	6,207,057	5,992,947	214,110	3.57%
Restricted	455,153	536,608	(81,455)	-15.18%
Unrestricted	<u>310,087</u>	<u>(1,123,079)</u>	<u>1,433,166</u>	-127.61%
Total Net Position	<u>\$ 6,972,297</u>	<u>\$ 5,406,476</u>	<u>\$ 1,565,821</u>	28.96%

**HICKMAN COUNTY SCHOOL DISTRICT—CLINTON, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

Condensed Statement of Activities

	Activities		Increase (Decrease)	
			\$	%
	June 30,2025	June 30,2024		
Revenues				
Program Revenues				
Charges for services	\$ 41,409	\$ 34,675	\$ 6,734	19.42%
Operating grants and contributions	2,373,273	2,631,956	(258,683)	-9.83%
Capital grants and contributions	227,545	164,149	63,396	38.62%
General Revenues				
Local tax revenues	3,100,720	2,790,579	310,141	11.11%
Investment earnings	214,526	203,037	11,489	5.66%
Student Activities	142,828	124,144	18,684	15.05%
Food Service	209,184	166,688	42,496	25.49%
Other local revenue	574,130	557,813	16,317	2.93%
State aid-formula grants	5,900,812	5,395,417	505,395	9.37%
Gain (loss) on disposal of assets	119,341	3,814	115,527	3029.02%
	<u>12,903,768</u>	<u>12,072,272</u>	<u>831,496</u>	<u>6.89%</u>
Expenses				
Instruction	5,797,222	5,453,270	343,952	6.31%
Support services	3,530,389	3,891,190	(360,801)	-9.27%
Non-instructional services	114,411	76,582	37,829	49.40%
Interest on long-term debt	55	186,508	(186,453)	-99.97%
Depreciation/Amortization - unallocated	634,923	629,849	5,074	0.81%
Food service	896,083	795,915	100,168	12.59%
	<u>10,973,083</u>	<u>11,033,314</u>	<u>(60,231)</u>	<u>-0.55%</u>
Change in net position	<u>1,930,685</u>	<u>1,038,958</u>	<u>891,727</u>	<u>85.83%</u>
Net position - beginning of year	5,406,476	4,367,518	1,038,958	23.79%
Prior period adjustment - Note N	(364,865)	-	(364,865)	
Restated net position - beginning of year	5,041,611	4,367,518	674,093	15.43%
Net position - end of the year	<u>\$ 6,972,296</u>	<u>\$ 5,406,476</u>	<u>\$ 1,565,820</u>	<u>28.96%</u>

On-behalf amounts are included in the above figures. On-behalf payments are payments the State makes on behalf of the District to various agencies for health and life insurance benefits, retirement benefits, administration fees, technology, pension/OPEB costs, and debt service. The total on-behalf payments for 2025 and 2024 were \$2,636,272 and \$2,690,741, respectively.

Governmental Activities

Total revenues for governmental activities for 2025 were \$12,027,147. State aid and state and federal grants accounted for 63.4% of this revenue total and local taxes made up 25.8%. The total cost of all programs and services for governmental activities was \$10,077,000. Instruction for

**HICKMAN COUNTY SCHOOL DISTRICT—CLINTON, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

governmental activities comprised 57.5% of expenses. Revenues for governmental activities for the District for 2025 exceeded expenditures by \$1,950,147.

The cost of program services and the charges for services and grants offsetting those services are shown on the Statement of Activities. The Statement of activities identifies the net cost of services supported by tax revenue and unrestricted intergovernmental revenues (State entitlements).

Cost of Services

	Governmental Activities Total Cost of Services		Governmental Activities Net Cost of Services	
	2025	2024	2025	2024
Instructional	\$ 5,797,222	\$ 5,453,270	\$ 4,937,830	\$ 4,478,135
Support services	3,530,389	3,891,191	3,007,036	3,031,232
Other	749,334	706,431	410,706	580,110
Interest cost	55	186,508	47	153,157
Total Expenses	<u>\$ 10,077,000</u>	<u>\$ 10,237,400</u>	<u>\$ 8,355,619</u>	<u>\$ 8,242,634</u>

Business-Type Activities

The only business-type activity at the District is the Food Service operation. The Food Service Program had total revenues of \$931,538 and expenses of \$951,001 for fiscal year ending June 30, 2025. Charges for services made up 4.5% of these revenues and Federal and State operating grants made up 94.4%. The remaining 1.1% of revenue is derived from investment earnings and the sale of equipment. Business-type activities such as this Food Service Program receive no support from local tax revenues. Management will closely monitor these activities and make adjustments as needed.

Capital Assets

The Hickman County School District had total net capital assets in the amount of \$8,816,107 at June 30, 2025. This total includes land, land improvements, buildings and improvements, equipment, and vehicles. The buildings included in this total are as follows: Hickman County Elementary School, Hickman County High School, Hickman County Board of Education and Bus Garage and Concession Stands. Overall, net capital assets decreased by .29% during fiscal year 2025.

Governmental Activities - Capital Assets, Net of Accumulated Depreciation

	June 30,2025	June 30,2024	Increase (Decrease)	
			\$	%
Land	\$ 69,650	\$ 69,650	-	0.00%
Other capital assets	8,415,422	8,425,379	(9,957)	-0.12%
Net Capital Assets	<u>\$ 8,485,072</u>	<u>\$ 8,495,029</u>	<u>\$ (9,957)</u>	<u>-0.12%</u>

**HICKMAN COUNTY SCHOOL DISTRICT—CLINTON, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

Business-Type Activities - Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Other capital assets	331,035	346,801	(15,766)	-4.55%
Net Capital Assets	<u>\$ 331,035</u>	<u>\$ 346,801</u>	<u>\$ (15,766)</u>	<u>-4.55%</u>

This year our depreciation expense was more than our capitalized purchases, which caused our net capital assets to decrease by \$25,723.

Long-term Debt

As of June 30, 2025, the District had \$2,552,723, net of unamortized bond discounts, in bonds outstanding, of which \$354,480 is to be paid from the School Facilities Construction Commission (SFCC) funding provided by the State of Kentucky. The majority of this outstanding debt is a result of the construction of the Elementary School and various improvement projects to this and other existing buildings. The original bonds issued for the construction of the Elementary School have since been paid off with refunding bond issues at lower rates of interest. There was a new bond issue during fiscal year 2018-19 in the amount of \$1,880,000 to finance major construction improvements and renovations at the high school and elementary school. Please see the Notes to the Financial Statements for more detail on this long-term debt.

General Fund Budgetary Highlights

The District’s budget is prepared according to Kentucky law and is based on accounting for certain transactions on a cash basis for receipts, expenditures and encumbrances. The most significant budgeted fund is the General Fund. The Kentucky Department of Education requires a zero-based budget with any remaining fund balance to be shown as a contingency expenditure in the budgeting process. The General Fund had budgeted revenues of \$8,722,772 with actual results being \$9,841,540 for a favorable difference of \$1,118,768. Budgeted expenditures were \$9,126,522 compared to actual expenditures of \$8,721,412 for a favorable difference of \$405,110. The favorable difference in revenues was primarily due to the final state SEEK funding as well as local tax revenues coming in higher than anticipated. The favorable expenditure difference was the result of budgeting very conservatively due to rising costs and potential unforeseen expenditures that fortunately did not occur. Actual revenues were in excess of anticipated revenues and actual expenditures were less than anticipated expenditures. The District received 59.0% of its General Fund revenue from state funding and 29.1% from local taxes. In the prior year, these percentages were 62.4% and 31.5%, respectively. Other local revenues, investments and indirect federal funds made up the remaining 11.9%. The increase in other local revenues was due to transfers in from the Capital Outlay and Building Funds to cover allowed non-operating General Fund expenditures.

The majority of the General Fund budget was expended on direct student instruction (54.3%) and student support expenditures (5.0%) for a total of 59.3% of the General Fund expenditures being

**HICKMAN COUNTY SCHOOL DISTRICT—CLINTON, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

for instruction. The remaining 40.1% was expended for school administrative support (5.4%) and for central support services (34.7%), which include transportation, plant operation and maintenance, District administration, business, and community operations.

Future Budgetary Implications

In Kentucky, the public schools’ fiscal year is July 1 - June 30; other programs, such as some federal programs operate on a different fiscal calendar, but are reflected in the District’s overall budget. By law, the budget must have a minimum 2% contingency. The District has adopted a budget for fiscal year 2025-2026 with \$3,721,070 (27.3%) in contingency.

There were no state mandated raises; however, the local board approved a \$2,500 certified salary increase and a 3% increase for classified employees for the 2025-2026 school year. The State SEEK per pupil guaranteed amount increased from \$4,326 in fiscal year 2024-25 to \$4,586 for fiscal year 2025-2026. Also, the forecasted exceptional child and transportation portions of the SEEK formula indicates an increase of approximately \$90,801 and \$89,500, respectively. These changes resulted in the projected calculations for SEEK funding for fiscal year ending June 30, 2026 showing an increase of around \$342,000 over the prior year. The local tax effort is expected to be slightly higher due to an increase in local assessed property values for 2026.

From year to year, the District experiences fluctuations in student numbers depending on entering and graduating class sizes in addition to County population changes due to transfers. The forecasted trend for our County population has been downward for many years, however, we have seen an increase in our enrollment at the beginning of the 2024-25 and the 2025-26 school years. This growth in enrollment should result in our final SEEK calculation for 2025-26 being slightly higher than anticipated.

CONTACTING DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and other interested readers with information regarding the District’s finances and to demonstrate the District’s accountability for the funds it receives. Questions regarding this report should be directed to Heather Spillman, Superintendent, or to Kim Wilson, Director of Finance, at (270) 653-2341 or by mail at 416 Waterfield Drive North, Clinton, Kentucky 42031.

Hickman County School District
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,963,071	\$ 184,691	\$ 5,147,762
Receivables (net)			
Taxes			-
Accounts	5,285	-	5,285
Intergovernmental	139,274		139,274
Prepaid assets	196		196
Inventories		10,382	10,382
Net OPEB asset		2,770	2,770
Capital assets:			
Land, and construction in progress	69,650		69,650
Other capital assets, net of depreciation	8,388,911	331,035	8,719,946
Total capital assets	8,458,561	331,035	8,789,596
Total assets	13,566,388	528,878	14,095,266
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	480,514	25,080	505,594
Deferred outflows related to OPEB	948,880	8,221	957,101
Total deferred outflows of resources	1,429,393	33,302	1,462,695
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	14,995,781	562,179	15,557,961
LIABILITIES			
Accrued interest payable	23,288		23,288
Accounts payable	44,642	2,612	47,253
Sick leave	17,881		17,881
Unearned revenue	361,098		361,098
Long-term liabilities:			
Due within 1 year:			
Financed Purchases	64,990		64,990
Bond obligations	150,000		150,000
Total due within 1 year	214,990	-	214,990
Due in more than 1 year:			
Financed Purchases	408,538		408,538
Bond obligations	1,959,011		1,959,011
Sick leave	476,277		476,277
Net pension liability	1,833,183	95,683	1,928,866
Net OPEB liability	1,158,923		1,158,923
Total due in more than 1 year	5,835,932	95,683	5,931,615
Total liabilities	6,497,832	98,295	6,596,126
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	408,160	21,304	429,464
Deferred inflows related to OPEB	1,527,479	32,595	1,560,074
Total deferred inflows of resources	1,935,640	53,898	1,989,538
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	8,433,471	152,193	8,585,664
NET POSITION			
Net Investment in capital assets	5,876,022	331,035	6,207,057
Restricted for:			
Capital projects	234,276		234,276
Student activities	141,925		141,925
Food service		78,952	78,952
Unrestricted	310,087		310,087
Total net position	6,562,310	409,986	6,972,296
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 14,995,781	\$ 562,179	\$ 15,557,961

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
Instruction	\$ 5,797,222	\$ -	\$ 859,392	\$ -	\$ (4,937,830)		\$ (4,937,830)
Support Services							
Student	484,895		71,882		(413,013)		(413,013)
Instructional Staff	372,799		55,265		(317,535)		(317,535)
District Administration	577,195		85,565		(491,630)		(491,630)
School Administration	437,894		64,914		(372,980)		(372,980)
Business	414,673		61,472		(353,201)		(353,201)
Plant Operation & Maintenance	568,652		84,298		(484,354)		(484,354)
Student Transportation	471,129		69,841		(401,287)		(401,287)
Food Service Operations	79,470		11,781		(67,689)		(67,689)
Community Services Operations	123,681		18,335		(105,346)		(105,346)
Building Acquisitions & Construction			-	227,545	227,545		227,545
Other Non Instruction	114,411		16,961		(97,450)		(97,450)
Amortization	67,706		10,037		(57,669)		(57,669)
Depreciation	567,217		84,085		(483,132)		(483,132)
Interest on general long-term debt	55		8		(47)		(47)
Total governmental activities	<u>10,077,000</u>	<u>-</u>	<u>1,493,836</u>	<u>227,545</u>	<u>(8,355,619)</u>		<u>(8,355,619)</u>
Business-type activities:							
Food service operations	858,991	41,409	879,437			\$ 61,856	61,856
Depreciation	37,092					(37,092)	(37,092)
Total business-type activities	<u>896,083</u>	<u>41,409</u>	<u>879,437</u>	<u>-</u>	<u>-</u>	<u>24,764</u>	<u>24,764</u>
Total primary government	\$ <u>10,973,083</u>	\$ <u>41,409</u>	\$ <u>2,373,273</u>	\$ <u>227,545</u>	<u>(8,355,619)</u>	<u>24,764</u>	<u>(8,330,855)</u>
General revenues:							
Taxes:							
Property taxes					2,521,686		2,521,686
Motor vehicle taxes					284,386		284,386
Utility taxes					294,647		294,647
Gain on sale of equipment					118,841	500	119,341
State and formula grants					5,900,812		5,900,812
Student activities					142,828		142,828
Food service					209,184		209,184
Other local revenue					574,130		574,130
Unrestricted investment earnings					204,335	10,192	214,526
Transfers					54,918	(54,918)	-
Total general revenues					<u>10,305,767</u>	<u>(44,226)</u>	<u>10,261,541</u>
Change in net position					1,950,147	(19,462)	1,930,685
Net position - beginning					4,977,028	429,448	5,406,476
Adoption of Accounting Principle - See Note N					(364,865)	-	(364,865)
Restated net position - beginning					4,612,163	429,448	5,041,611
Net position - ending					\$ <u>6,562,310</u>	\$ <u>409,986</u>	\$ <u>6,972,296</u>

See the accompanying notes to the financial statements.

Hickman County School District
Balance Sheet
Governmental Funds
June 30, 2025

	Governmental Funds				
	General	Special Revenue	Debt Service Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 4,319,728	\$ 233,514	\$ 1,553	\$ 408,276	\$ 4,963,071
Receivables, net					
Accounts		5,285			5,285
Intergovernmental - state		5,316			5,316
Intergovernmental - federal		133,958			133,958
Prepaid expenses	196				196
Total assets	4,319,924	378,073	1,553	408,276	5,107,827
LIABILITIES					
Accounts payable	27,492	16,975		175	44,642
Unearned revenue		361,098			361,098
Total liabilities	27,492	378,073	-	175	405,740
FUND BALANCE					
Restricted	64,000		1,553	376,201	441,754
Committed	43,661				43,661
Assigned				31,900	31,900
Unassigned	4,184,772				4,184,772
Total fund balance	4,292,433	-	1,553	408,101	4,702,087
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,319,924	\$ 378,073	\$ 1,553	\$ 408,276	\$ 5,107,827

See the accompanying notes to the financial statements.

Hickman County School District
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2025

Fund balances-total governmental funds	\$	4,702,087
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position.</p>		8,458,561
<p>Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, accrued interest payable, other accounts payable, and net pension obligations) are not due and payable in the current period and, therefore, are not reported in the funds</p>		
Accrued interest payable		(23,288)
Bonds payable		(2,109,011)
Financed purchases payable		(473,528)
Sick leave liability		(494,158)
Net pension liability		(1,833,183)
Net OPEB liability		(1,158,923)
<p>Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds</p>		
Deferred outflows related to pensions		480,514
Deferred outflows related to OPEB		948,880
Deferred inflows related to OPEB		(1,527,479)
Deferred inflows related to pensions		(408,160)
		(408,160)
Net position of governmental activities	\$	6,562,310

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
From Local Sources					
Taxes					
Property	\$ 2,286,556	\$	\$	\$ 235,130	\$ 2,521,686
Motor vehicle	284,386				284,386
Utilities	294,593				294,593
Unmined minerals	54				54
Student activities				142,828	142,828
Food service				209,184	209,184
Earnings on investments	190,853	950	378	12,153	204,335
Other local revenue	256,281	192,400		125,449	574,130
Intergovernmental - state	5,802,148	435,666	51,204	227,545	6,516,564
Intergovernmental - federal	47,460	1,058,169			1,105,630
Total revenues	<u>9,162,331</u>	<u>1,687,186</u>	<u>51,583</u>	<u>952,289</u>	<u>11,853,389</u>
EXPENDITURES					
Instruction	4,736,706	1,147,535		336,918	6,221,159
Support Services					
Student	437,982	48,411			486,393
Instructional Staff	338,520	64,429			402,949
District Administration	608,235				608,235
School Administration	473,721				473,721
Business	441,357				441,357
Plant Operation & Maintenance	1,122,520	94,049			1,216,569
Student Transportation	503,749			4,126	507,875
Food Service		79,470			79,470
Community Operations	12,650	111,031			123,681
Debt Service			309,333		309,333
Other Non-Instruction				114,411	114,411
Total expenditures	<u>8,675,441</u>	<u>1,544,924</u>	<u>309,333</u>	<u>455,455</u>	<u>10,985,153</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	486,891	142,262	(257,750)	496,834	868,236
OTHER FINANCING SOURCES (USES)					
Sale of equipment	118,841				118,841
Operating transfers in	560,368	26,205	258,129	-	844,702
Operating transfers (out)	(45,971)	(168,467)		(575,346)	(789,784)
Total other financing sources and (uses)	<u>633,238</u>	<u>(142,262)</u>	<u>258,129</u>	<u>(575,346)</u>	<u>173,759</u>
NET CHANGE IN FUND BALANCE	1,120,128	-	378	(78,512)	1,041,995
FUND BALANCE-BEGINNING	<u>3,172,304</u>	<u>-</u>	<u>1,175</u>	<u>486,613</u>	<u>3,660,092</u>
FUND BALANCE-ENDING	<u>\$ 4,292,433</u>	<u>\$ -</u>	<u>\$ 1,553</u>	<u>\$ 408,101</u>	<u>\$ 4,702,087</u>

See the accompanying notes to the financial statements.

Hickman County School District
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities**
Year ended June 30, 2025

Net change in fund balances-total governmental funds	\$	1,041,995
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
District pension contributions less costs of benefits earned net employee contributions		252,389
<p>Governmental funds report district OPEB contributions as expenditures. However in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as pension expense.</p>		
District OPEB contributions less costs of benefits earned net employee contributions		375,803
<p>Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.</p>		
		44,519
<p>The difference in the issue amount of the refunding of bond proceeds and the amount for payment to the escrow account to pay the refunded bonds is amortized over the life of the refunding issue.</p>		
		(34,618)
<p>Bonds sold at a discount/premium are deducted/added to the related bond issues and amortized over the life of the bond in the government wide financial statements, but are recognized in the year the bonds are sold in the fund financial statements.</p>		
		(33,088)
<p>Bond and financed purchase payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net position.</p>		
		218,445
<p>Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>		
Accrued interest payable		90,833
Sick leave payable		(6,131)
		84,702
Change in net position of governmental activities	\$	<u>1,950,147</u>

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2025

	<u>School Food Services</u>
ASSETS	
Cash and cash equivalents	\$ 184,691
Accounts receivable	
Inventories	10,382
Net OPEB asset	2,770
Capital assets:	
Other capital assets, net of depreciation	331,035
Total assets	<u>528,878</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	25,080
Deferred outflows related to OPEB	8,221
	<u>33,302</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>562,179</u></u>
LIABILITIES	
Accounts payable	2,612
Net pension liability	95,683
Total liabilities	<u>98,295</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	21,304
Deferred inflows related to OPEB	32,595
Total deferred inflows of resources	<u>53,898</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>152,193</u>
NET POSITION	
Net Investment in capital assets	331,035
Restricted	78,952
Total net position	<u>409,986</u>
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 562,179</u></u>

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2025

		School Food Services
OPERATING REVENUES		
Lunchroom sales	\$	41,409
Total operating revenues		<u>41,409</u>
OPERATING EXPENSES		
Depreciation		37,092
Food service operations		
Salaries and benefits		378,160
Operational expense		480,831
Total operating expenses		<u>896,083</u>
Operating income (loss)		<u>(854,673)</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental revenues		879,437
Transfers in (out)		(54,918)
Sale of equipment		500
Earnings from investments		10,192
Total nonoperating revenues (expenses)		<u>835,211</u>
CHANGE IN NET POSITION		(19,462)
NET POSITION-BEGINNING		<u>429,448</u>
NET POSITION-ENDING	\$	<u><u>409,986</u></u>

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2025

	<u>School Food Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 41,409
Payments to suppliers	(470,620)
Payments to employees	(390,075)
Net cash provided (used) by operating activities	<u>(819,285)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants and contributions	879,437
Transfers	(54,918)
Net cash provided (used) by noncapital financing activities	<u>824,519</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	10,192
Purchase of capital assets	(21,325)
Sale of assets	500
Net cash provided (used) by investing activities	<u>(10,633)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,399)
CASH AND CASH EQUIVALENTS-BEGINNING	<u>190,091</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 184,691</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (854,673)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	37,092
Changes in assets and liabilities:	
Inventory	11,662
Deferred outflows	12,695
Deferred inflows	(17,801)
Pension liability	(6,232)
OPEB asset	(577)
Accounts payable	(1,451)
Net cash provided (used) by operating activities	<u>\$ (819,285)</u>

NONCASH NONCAPITAL FINANCING ACTIVITIES

During the year, the district received \$43,680 of food commodities from the U.S. Department of Agriculture.

During the year, the district recognized revenues and expenses for on-behalf payments relating to fringe benefits in the amount of \$86,661 provided by state government.

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2025

	Trust Funds
ASSETS	
Cash and cash equivalents	1,094
Total assets	\$ 1,094
LIABILITIES	
Accounts Payable	1,094
Total liabilities	1,094
NET POSITION HELD IN TRUST	\$ -

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2025

		Trust Funds
ADDITIONS		
Contributions/Donations	\$	75,300
Total Additions		75,300
DEDUCTIONS		
Instruction		75,300
Total Deductions		75,300
CHANGE IN NET POSITION		-
NET POSITION-BEGINNING		-
NET POSITION-ENDING	\$	-

See the accompanying notes to the financial statements.

HICKMAN COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Hickman County Board of Education (“Board”), a five-member group, is the level of government, which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Hickman County Board of Education (“District”). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100-Codification of Governmental Accounting and Financial Reporting Standards. 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 Hickman County Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the District itself such as Boosters, Parent-Teacher Associations, etc.

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

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

Blended Component Unit

The Board authorized establishment of the Hickman County Board of Education Finance Corporation a non-stock, non-profit corporation pursuant to Section 162.385 of the School Bond Act and Chapter 273 and Section 58.180 of the Kentucky Revised Statutes (the “Corporation”) to act as an agency of the District for financing the costs of school building facilities. The Board of Directors of the Corporation shall be the same persons who are at any time the members of the Board of Education of the Hickman County Board of Education.

Basis of Presentation

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

The District has the following funds:I. Governmental Fund Types

(A) General Fund

The General Fund is the main operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use.

(B) Special Revenue (Grant) Fund

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(C) Student Activities Fund

The Student Activities Fund accounts are used to support co-curricular activities, and are raised and expended by student groups. These funds are subject to “Redbook”.

(D) Capital Project Funds

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

SEEK Capital Outlay Fund

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 as identified in the District’s facility plan.

Building (FSPK) Fund

The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy that is required to participate in the School Facilities Construction Commission’s construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District’s facility plan.

Construction Fund

The Construction Fund accounts for proceeds from sale of bonds and other revenues to be used for authorized construction and/or remodeling.

(E) Debt Service Fund

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

(F) District Activities Fund

The District Activities Fund accounts for funds that have been raised by the District for student groups.

II. Proprietary Funds (Enterprise Funds)

Food Service Fund

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

The District applies all GASB pronouncements to proprietary funds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchangetransactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year 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 resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis, On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

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.

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

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

Cash and Cash Equivalents

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

Inventories

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

the consumption method and commodities assigned values are based on information provided by the USDA.

Prepaid Assets

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

Capital Assets

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

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

Land and construction in progress are not depreciated. The other property, plant and equipment of the district are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
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
Other	10 years

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgment, the noncurrent portion of financed purchases, accumulated sick leave, contractually required pension and OPEB contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of the accumulated sick leave.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

Fund Balances

Fund balance is divided into five categories as defined by GASB 54 as follows:

Nonspendable:	Permanently nonspendable by decree of the donor, such as an endowment, or funds that are not in a spendable form, such as prepaid expenses or inventory on hand.
Restricted:	Legally restricted under legislation, bond authority, or grantor contract.
Committed:	Commitments of future funds for specific purposes passed by the Board.
Assigned:	Funds that are intended by management to be used for a specific purpose, including encumbrances.
Unassigned:	Funds available for any purpose; unassigned amounts are reported only in the general Fund unless a fund has a deficit.

The Board has adopted a GASB 54 spending policy which states that the spending order of funds is to first use restricted, committed, and assigned resources first, then unassigned resources as they are needed.

Net Position

The Statement of Net Position presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as Net Position. Net Position is reported in three categories: 1) net investment in capital assets – consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of the assets; 2) restricted net position – resulting from constraints placed on net position by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation adopted by the School District; 3) unrestricted net position – those assets that do not meet the definition of restricted net position or net investment in capital assets. It is the District's policy to first apply restricted net position and then unrestricted net position when an expense is incurred for which both restricted and unrestricted net position are available.

Property Taxes

Property Tax Revenues – Property taxes are levied each September on the assessed value listed as of the prior January 1, for all real and personal property in the county. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax bill mailing. Property taxes collected are recorded as revenues in the fiscal year for which they were levied. The property tax rates assessed for the year ended June 30, 2025, to finance the General Fund operations

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

were \$.566 per \$100 valuation of real property, \$.567 per \$100 valuation for business personal property and \$.547 per \$100 valuation for motor vehicles.

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

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by the various schools.

Non-operating revenues are not generated directly from the primary activity of the proprietary funds. For the School District those revenues come in the form of grants (federal and state), donated commodities, and earnings from investments.

In-Kind

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal and state administered funding on various grants. The amounts of such services and donated commodities are recorded in the accompanying financial statements at their estimated fair market values.

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.

Interfund Receivables/Payables

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

Interfund Transfers

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the appropriate period. The District reports three types of deferred outflows – contributions to the CERS's pension and OPEB plans after the measurement period and the unrecognized portion of a deferred loss on the refinancing of long-term debt.

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

Pensions

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

Postemployment Benefits Other Than OPEBs (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky (TRS), and the County Retirement System of Kentucky (CERS), and additions to/deductions from TRS's/CERS's fiduciary net position have been determined on the same basis as they are reported by TRS/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, 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.

Bond and Related Premiums, Discounts, and Issuance Costs

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

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources.

Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates

The process of preparing financial statements in conformity accounting principles generally accepted in

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

the United States of America requires District's management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, expenditures, designated fund balances, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Budgetary Process

The District prepares its budgets on the modified accrual basis of accounting, which is the same basis as used to prepare the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the

Board, and are not made after fiscal year-end as dictated by law. Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end. The Kentucky Department of Education does not require the Capital Project Funds and Debt Service Funds to prepare budgets.

Recent GASB Pronouncements

GASB Statement No. 101, *Compensated Absences*, effective for the District's year ended June 30, 2025

GASB Statement No. 102, *Certain Risk Disclosures*, effective for the Districts year ended June 30, 2025

GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the Districts year ended June 30, 2025

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the Districts year ended June 30, 2025

NOTE B – CASH AND CASH EQUIVALENTS

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

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

At year end the District's bank balances were collateralized by securities held by the pledging bank's trust department in the District's name and FDIC insurance. At year end, the carrying amount of the District's cash and cash equivalents \$5,148,856. The bank balance for the same time was \$5,005,378.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Due to the nature of the accounts and certain limitations imposed on the use of funds, each bank account within the following funds is considered to be restricted: SEEK Capital Outlay Fund, Facility Support Program (FSPK/Building) Fund, special Revenue (Grant Fund), Debt Service Fund, School Construction Fund, School Food Service Fund, and School Activity Fund.

NOTE C– CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2025</u>
Land	\$ 69,650	\$ -	\$ -	\$ 69,650
Land improvements	363,523	385,116	-	748,639
Buildings	15,781,973	141,481	-	15,923,454
Technology equipment	11,380	-	-	11,380
Vehicles	931,344	-	-	931,344
General equipment	504,507	85,140	-	589,647
Right of Use Assets	274,692	-	-	274,692
Total at historical cost	<u>\$ 17,937,069</u>	<u>\$ 611,737</u>	<u>\$ -</u>	<u>\$ 18,548,806</u>
Less: Accumulated depreciation				
Land improvements	\$ 286,971	\$ 21,140	\$ -	\$ 308,111
Buildings	8,332,434	433,851	-	8,766,286
Technology equipment	5,120	2,276	-	7,396
Vehicles	454,443	63,574	-	518,016
General equipment	170,449	46,376	-	216,825
Right of Use Assets	273,611	-	-	273,611
Total accumulated depreciation	<u>\$ 9,523,027</u>	<u>\$ 567,217</u>	<u>\$ -</u>	<u>\$ 10,090,245</u>
Governmental Activities				
Capital Assets-net	<u>\$ 8,414,042</u>	<u>\$ 44,519</u>	<u>\$ -</u>	<u>\$ 8,458,561</u>
<u>Business-Type Activities</u>	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2025</u>
Buildings	\$ 1,035,533	\$ -	\$ -	\$ 1,035,533
General equipment	402,727	21,325	19,576	404,476
Total at historical cost	<u>\$ 1,438,260</u>	<u>\$ 21,325</u>	<u>\$ 19,576</u>	<u>\$ 1,440,009</u>
Less: Accumulated depreciation				
Buildings	800,779	22,225	-	823,004
General equipment	290,680	14,867	19,576	285,970
Total accumulated depreciation	<u>\$ 1,091,459</u>	<u>\$ 37,092</u>	<u>\$ 19,576</u>	<u>\$ 1,108,974</u>
Business-Type Activities				
Capital Assets-net	<u>\$ 346,801</u>	<u>\$ (15,767)</u>	<u>\$ -</u>	<u>\$ 331,035</u>

Depreciation expense was not allocated to governmental functions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE D – DEBT OBLIGATIONS

Bonds

The amount shown in the accompanying financial statements as bonded debt and lease obligations represent the District’s future obligations to make payments relating to the bonds issued by the Hickman County School District Finance Corporation.

The District, through the General Fund (including utility taxes), Building (FSPK) Fund, and the SEEK Capital Outlay Fund is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Hickman 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.

The original amount of outstanding issues, the issue dates, interest rates, maturity dates, and outstanding balances, at June 30, 2025 are summarized below:

<u>Bond Issues</u>	<u>Original Amount</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Bonds Outstanding</u>			<u>Bonds Outstanding</u>
				<u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2025</u>
2016	\$ 1,165,000	2028	1.0 - 2.0%	\$ 575,000	\$ -	\$ 110,000	\$ 465,000
2018	\$ 1,880,000	2039	3.0 - 4.0%	1,695,000		35,000	1,660,000
				2,270,000	-	145,000	2,125,000
Less:	Discount			(49,077)		(33,088)	(15,989)
Totals				\$ 2,220,923	\$ -	\$ 111,912	\$ 2,109,011

The District has entered into “participation agreements” with the Kentucky School Facility Construction Commission. The Kentucky Legislature, for the purpose of assisting local school districts in meeting school construction needs, created the Commission. The table following sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues.

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

SEE SCHEDULE ON NEXT PAGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fiscal Year Ended at June 30,	Principal		Interest		Principal Total	Interest Total
	Local	KSFCC	Local	KSFCC		
2026	\$ 125,510	\$ 24,490	\$ 61,859	\$ 7,078	\$ 150,000	\$ 68,938
2027	129,910	25,090	59,031	6,481	155,000	65,513
2028	134,285	25,715	56,057	5,855	160,000	61,913
2029	137,362	22,638	52,902	5,223	160,000	58,125
2030	108,631	11,369	49,372	4,716	120,000	54,088
2031-2035	636,621	63,379	182,684	17,041	700,000	199,725
2036-2039	623,187	56,813	50,584	4,397	680,000	54,981
	<u>\$ 1,895,506</u>	<u>\$ 229,494</u>	<u>\$ 512,489</u>	<u>\$ 50,792</u>	<u>\$ 2,125,000</u>	<u>\$ 563,281</u>

Financed purchases

The following is an analysis of the leased property under financed purchase by class:

KISTA Issues	Original Amount	Maturity Dates	Interest Rates	Bonds Outstanding			Bonds Outstanding June 30, 2025
				July 1, 2024	Additions	Retirements	
2011	\$ 396,465	10/1/2031	1.5 - 4.3%	\$ 236,465	\$ -	\$ 30,000	\$ 206,465
2012	\$ 457,000	8/1/2032	2.0 - 3.375%	265,000	-	25,000	240,000
2015B	\$ 95,117	3/1/2025	3.00 - 4.00%	8,764	-	8,764.00	-
2018B	\$ 92,757	3/1/2028	2.0 - 3.0%	36,744	-	9,681	27,063
				<u>\$ 546,973</u>	<u>\$ -</u>	<u>\$ 73,445</u>	<u>\$ 473,528</u>

The following is a schedule by years of the future minimum payments under financed purchase together with the present value of the net minimum payments as of June 30, 2025:

Fiscal Year Ended at June 30,	Principal		Interest		Principal Total	Interest Total
	Local	KSFCC	Local	KSFCC		
2026	\$ 49,708	\$ 15,282	\$ 11,837	\$ 4,354	\$ 64,990	\$ 16,191
2027	47,583	15,830	10,137	3,805	63,413	13,941
2028	52,242	16,418	8,384	3,217	68,660	11,600
2029	42,954	17,046	6,525	2,588	60,000	9,113
2030	42,295	17,705	4,937	1,929	60,000	6,867
2031-2033	113,760	42,705	6,081	1,927	156,465	8,007
	<u>\$ 348,542</u>	<u>\$ 124,986</u>	<u>\$ 47,900</u>	<u>\$ 17,820</u>	<u>\$ 473,528</u>	<u>\$ 65,720</u>

Accumulated Sick Leave

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. The activity during fiscal year 2025 for accumulated sick leave is as follows:

	204 Outstanding Balance	Additions	Retirements	205 Outstanding Balance
Sick Leave	\$ 443,418	\$ 32,858		\$ 476,277

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Net Pension & OPEB Liability

Activity in the net pension and net OPEB liability are below:

Description	2024 Outstanding Balance		Additions	Retirements	2025 Outstanding Balance	
Net Pension Liability	\$	2,190,853	\$	\$ 261,987	\$	1,928,866
Net OPEB Liability		1,348,053		189,130		1,158,923
Totals	\$	3,538,906	\$	-	\$	451,117
						3,087,789

NOTE E – RETIREMENT PLANS

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

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

Plan description—Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Public Pensions Authority (KPPA), an agency of the Commonwealth of Kentucky. As of April 1, 2022, Kentucky Revised Statute (“KRS”) Section 78.782 shifted the governance of CERS to a separate Board of Trustees of the County Employees Retirement System. The CERS Board manages the CERS trust, including investment management. KPPA provides the day-to-day administration (KRS 61.505) for accounting and benefit administration for CERS. The Kentucky General Assembly has the authority to establish and amend benefit provisions. The Kentucky Public Pensions Authority issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years of service and 65 years old
	Reduced retirement	Or age 57+ and the sum of service years plus age equal 87
		Not Available

Cost of living adjustments are provided at the discretion of the General Assembly. In 2013, the General Assembly established funding status thresholds which must be achieved before another COLA can be awarded to retirees. Retirement is based on a factor of the number of years’ service and hire date multiplied by the average of the highest five years’ earnings. Reduced benefits are based on factors of both these components.

Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years’ service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent’s beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent’s monthly final rate of pay and any dependent child will receive 10% of the decedent’s monthly final rate of pay up to 40% for all dependent children. Five years’ service is required for nonservice-related disability benefits.

Employer Contributions – For the year ended June 30, 2025, employer contributions were established by the County Employees Retirement Systems in December 2022. The governing Board establishes employer contribution rates based on the annual actuarial valuation completed in November each year for the fiscal year beginning the following July 1. For fiscal year 2025, the employer contribution rate for CERS nonhazardous pensions was 19.71%. In fiscal year 2024, these rates were 23.34%. (See NOTE 7 for additional rate information for the OPEB plans.)

Employee Contributions – Required contributions by the employee are based on the tier:

NonHazardous

Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

General information about the Teachers’ Retirement System of the State of Kentucky (“TRS of Ky”)

Plan description—Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through the Teachers’ Retirement System of the State of Kentucky (TRS of Ky)—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 of Ky was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS of Ky is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth’s financial statements. TRS of Ky issues a separate publicly available financial report that can be obtained from the TRS of Ky website, at <https://trs.ky.gov/administration/financial-reports-information/>.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation.

Effective July 1, 2008, the System was amended to change the benefit structure for employees hired on or after that date. Members hired after July 1, 2008, must complete 27 years of service, attain age 60 and 5 years of service, or attain age 55 and 10 years of service. The annual retirement allowance for members hired after July 1, 2008, is 1.7% for 10 years or less of service; 2.0% for 10 -20 years; 2.3% for 20 – 26 years; 2.5% for 26 – 30 years; or 3.0% for more than 30 years of service. 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.

In 2021, the Kentucky General Assembly added a fourth tier to the TRS System. Members hired on or after January 1, 2022, will be eligible for a combined defined benefit and defined contribution plan. The defined benefit portion is based on length of service, final average salary, a multiplier, and the annuity option selected by the member. The defined contribution benefit portion (supplemental benefit) is determined by an account balance funded by mandatory and voluntary contributions and the payment options selected by the member.

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

TRS provides disability retirement allowance for members who are totally and permanently disabled after completing at least 5 years of service, but less than 27 years. The disability allowance is equal to 60% of the member's final average salary, payable over an entitlement period equal to 25% of the service credited to the member at the date of disability or five years, whichever is longer. If the member is still disabled after the end of the entitlement period, the member receives a service retirement allowance,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

including additional service credit for the period of disability retirement. This extended allowance will not be less than \$6,000 and is not reduced for retirement prior to age 60 or completion of 27 years of service.

TRS provides a death benefit to a surviving spouse of an active member with less than 10 years of service. This benefit is \$2,880 per year unless the spouse has income from other sources that exceed \$6,600 which will reduce this death benefit to \$2,160 per year. A surviving spouse of an active member with 10 or more years of service is eligible for a death benefit actuarially equivalent to the allowance that the member would have received upon retirement. This benefit will commence on the date the deceased member would have been eligible for the service retirement and is payable during the life of the spouse. Additional benefits are provided for unmarried children under age 18 who are also survivors of the deceased member.

If an employee terminates covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

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

Contributions—Contribution rates are established by Kentucky Revised Statutes (KRS). Tiers 1, 2, and 3 non-university employees are required to contribute 9.105% of their salaries to the System for pension benefits. (See OPEB discussion for additional contribution rates.) The mandatory pension contribution for Tier 4 non-university employees hired on or after January 1, 2022, is 11%. Employer rates for Tiers 1 and 2 in FY 2025 were 31.95% and Tier 3 were 32.195 (only paid by the Commonwealth of Kentucky as on-behalf payments). Employer rates for Tiers 1 and 2 in FY 2024 were 30.855% and Tier 3 were 31.855%. Employer (only Commonwealth of Kentucky) rates for Tier 4 in FY 2025 were 9.920% and in FY 2024 were 10.0%. 2% of the Tier 4 employee and employer contributions is allocated to the supplemental benefit (defined contribution portion of Tier 4). Those employees may also voluntarily contribute an additional amount, not to exceed the earnings on a paycheck. (See OPEB NOTE 7 for additional contribution rates.)

In 2019, the Kentucky General Assembly increased the employer contribution in the state's biennial budgets to reflect the actuarially determined rates, less the employee contribution. The current funding policy requires appropriations that are the sum of the fixed employer contribution rate set by state law and an additional amount to provide an actuarial determined employer contribution. The pension portion of the statutory (KRS 161.550) contributions for the state (as a non-employer contributing entity) are as follows:

- 12.355% for non-university members who joined prior to July 1, 2008
- 13.355% for non-university members who joined after July 1, 2008, but prior to January 1, 2022
- 9.775% for non-university members who joined after January 1, 2022, with 7.775% to the foundational benefit and 2% to the supplemental benefit.
- 16.105% for non-university employers with members in Tier 1 and Tier 2
- 17.105% for non-university employers with members in Tier 3
- 9.775% for non-university employers with members in Tier 4, with 7.775% to the foundational benefit and 2% to the supplemental benefit.
- See OPEB Note Q for additional contribution rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The required increase to bring employer rates to the amount required for full actuarial funding are being phased in over a five-year period from the 2021 valuation to the 2026 valuation. The 2022 valuation required an increase of 18.920% for Tiers 1, 2, and 3 while actual rates included 15.09% increase for the phase-in to full funding. The 2021 valuation required 16.180% while actual rates included 14.75% for the phase-in to full funding. The 2022 Valuation was used to determine these rates for the state’s 2025 fiscal year.

The TRS Board is required to present the actuarially determined annual retirement appropriations payable by the state for Tiers 1, 2, and 3. Tier 4 is a defined contribution tier and does not require amortization of an unfunded liability. This actuarially determined rate is based on an actuarial analysis that is based on a valuation using the following:

- Entry Age Normal actuarial cost method;
- Five-year asset smoothing method;
- 30-year closed amortization period that began fiscal year 2014 to determine the minimum payment which cannot be less than the prior year until the plan reaches a 100% funded ratio;
- 20-year amortization of new sources of unfunded liability; and
- Achieving a 100% funding ratio with the closed period adopted by the Board.

In addition, the State’s General Assembly may provide additional contributions to reduce the TRS unfunded liability. The state contributed an additional \$479 million in fiscal year 2022, but no additional amounts were contributed in fiscal years 2023 and 2024. These additional contributions are not required by statute and are not included in the actuarial projection of future employer contributions.

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District’s proportionate share of the net pension liability for TRS of Ky because the Commonwealth of Kentucky provides the pension support directly to TRS of Ky on behalf of the District in a special funding situation.

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

District's proportionate share of the CERS net pension liability	\$1,928,866
Commonwealth's proportionate share of TRS of Ky net pension liability associated with the District	<u>17,580,765</u>
Total	<u>\$ 19,509,631</u>

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

The District’s proportion of the net pension liability for CERS was based on the actuarial liability of the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

employees and former employees relative to the total liability of the System as determined by the actuary. For the year ended June 30, 2025, the District’s proportion was 0.032253 percent. For the year ended June 30, 2025, the District recognized a decrease in pension expense of \$258,703 related to CERS .

At June 30, 2025, 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>
Differences between expected and actual experience	\$ 93,361	\$	
Changes of assumptions			87,147
Net difference between projected and actual earnings on pension plan investments	132,470		256,485
Changes in proportion and differences between District contributions and proportionate share of contributions	51,128		85,832
District contributions subsequent to the measurement date	<u>228,635</u>		
	\$ <u>505,594</u>	\$	<u>429,464</u>

\$228,635 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, 2026.

	<u>Year Ended June 30,</u>
2025	\$ (79,640)
2026	2,447
2027	(47,673)
2028	<u>(27,638)</u>
	\$ <u>(152,504)</u>

Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	CERS	TRS of KY
Inflation	2.50%	2.50%
Payroll growth rate	2.00%	N/A
Cost-of-living adjustment	0.0%	1.5%
Salary Increases	3.30% - 10.30%	3.0-7.5%
Investment rate of return	6.50%	7.10%
Municipal Bond Index Rate	N/A	3.94%
Single Equivalent Interest Rate	6.50%	7.10%

For CERS, mortality tables used for non-hazardous retired members was a system-specific mortality table based on mortality experience from 2013 to 2022, for the non-hazardous system, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2023. Mortality for active non-hazardous members was based on the PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

For TRS of KY, mortality rates were based on the Pub2010 (Teachers Benefit-Weighted Mortality Table projected generationally with MP-2020 and 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.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years, at a minimum. The most recent experience study was based on experience through June 30, 2022 and adopted by the CERS Board of Trustees on May 9, 2023. In 2024, the CERS Actuarial Committee requested an update on the key economic assumptions to evaluate these assumptions for the 2024 evaluation. GRS relied on capital market assumptions, CERS 2024 investment policy for the target asset allocation, and changes to investment consultants assumptions based on 2024 market conditions to develop recommended assumptions for inflation, investment returns, and payroll growth. The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized the table below. The current long-term inflation assumption is 2.3% per annum for the non-hazardous plan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return
Equity:	60.00%	
Public Equity	50.00%	4.15%
Private Credit	10.00%	9.10%
Fixed Income:	20.00%	
Core Bonds	10.00%	2.85%
High Yield Credit	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected:	20.00%	
Real Estate	7.00%	4.90%
Real Return	<u>13.00%</u>	5.35%
Total	<u>100.00%</u>	
Expected Real Return		4.69%
Long Term Inflation Assumption		<u>2.50%</u>
Expected Nominal Return for Portfolio		<u>7.19%</u>

For TRS of KY, 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 TRS of KY's investment consultant, are summarized in the following table:

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

Discount rate—For CERS, the discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

earnings were calculated using the long-term assumed investment return of 6.50%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

For TRS of KY, the discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. The actuary assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at the Actuarially Determined Contribution rates for all fiscal years in the future. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan employees. 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.

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

	1% Decrease		Current Discount Rate		1% Increase
CERS	5.50%		6.50%		7.50%
District's proportionate share of net pension liability	\$ 2,486,624	\$	1,928,866	\$	\$ 1,466,074
	1% Decrease		Current Discount Rate		1% Increase
KTRS	6.10%		7.10%		8.10%
Commonwealth's proportionate share of net pension liability	\$ 23,879,368	\$	17,580,765	\$	\$ 13,699,268

Pension plan fiduciary net position—Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports of both CERS and TRS of KY.

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, was amended by GASBS No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The GASB standards allow entities with little or no administrative involvement who do not perform the investing function for these plans to omit plan

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

assets and related liabilities for these defined contribution plans from their financial statements. The District therefore does not show these assets and liabilities in this financial statement.

NOTE F – OTHER POST-EMPLOYMENT BENEFIT PLANS

The District's employees are provided with two OPEB plans, based on each position's college degree requirement. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification. The Teachers Retirement System of Kentucky (TRS of KY) covers positions requiring teaching certification or otherwise requiring a college degree. 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 advance funded on an actuarially determined basis through the CERS and TRS of KY plans. The CERS governance structure discussed for pension plan governance also applies to the CERS OPEB plans. The Kentucky Public Pensions Authority's publicly available financial report includes the CERS OPEB plan reports and may be obtained from <https://www.kyret.KY.gov/Publications/Pages/Actuarial-Valuations.aspx>. TRS of KY issues a publicly available financial report that can be obtained at <https://trs.ky.gov/administration/financial-reports-information/>.

CERS OTHER POSTEMPLOYMENT BENEFITS

Plan Description— All District employees participating in CERS are provided benefits through the nonhazardous plan. CERS health insurance benefits are subject to various participation dates to determine eligibility and health insurance contribution rates. For employees who initiated participation in the CERS system prior to July 1, 2003, CERS pays a percentage of the monthly contribution rate for insurance covered based on the retired member's years of service and type of service. Non-hazardous members receive a contribution subsidy for only the member's health insurance premium

Benefits Provided—Percentage of premium subsidies ranges from 0% for less than 4 years of service to 100% for 20 years or more of service. For members who initiated participation in the CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the CERS health plans. Members who began participating with CERS on or after September 1, 2008, must have 180 months of service upon retirement to participate in the CERS health plans. Non-hazardous retirees receive \$10 toward the monthly premium for each full year of service.

Contributions—CERS allocates a portion of the employer contributions to the health insurance benefit plans. Beginning with the 2023 measurement, the CERS nonhazardous OPEB plan was over funded and employer contributions were decreased to zero. CERS allocated 0.0% in FY 2025 and FY 2024 for the actuarially required contribution rate paid by employers for funding the nonhazardous healthcare benefit. In addition, 1% of the Tier 2 and 3 employee contributions are allocated to the health insurance plan for nonhazardous plans.

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

At June 30, 2025, the District reported an asset of \$53,077 for its proportionate share of the CERS collective net OPEB asset. The collective net OPEB asset was measured as of June 30, 2024, and the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

total OPEB liability used to calculate the collective net OPEB asset was based on a projection of the District’s long-term share of contributions to OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the District’s proportion was 0.1069 percent. The District recognized a negative OPEB expense of \$163,745 as the OPEB asset increased and the related deferred inflows of resources and deferred outflows of resources decreased.

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

CERS

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
Differences between expected and actual experience	\$	93,361	\$	
Changes of assumptions				87,147
Net difference between projected and actual earnings on pension plan investments		132,470		256,485
Changes in proportion and differences between District contributions and proportionate share of contributions		51,128		85,832
District contributions subsequent to the measurement date		<u>228,635</u>		
	\$	<u>505,594</u>	\$	<u>429,464</u>

No District contributions subsequent to the measurement date were reported in deferred outflows since the plan is overfunded and no employer contributions will be assessed until the funded status declines.

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>	
2026	\$	(93,000)
2027		(12,000)
2028		(37,000)
2029		(80,000)
2030		(64,000)
Thereafter		<u>(12,000)</u>
	\$	<u>(298,000)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation. Projected
salary increases	3.30% - 10.30%, for non-hazardous, depending on years of service Inflation
rate	2.50%
Healthcare cost trend rates:	
Under 65	Initial trend rate starts at 7.1%, January 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
Ages 65 and Older	Initial trend starting at 8.0%, January 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
Municipal Bond Index Rate	3.97%
Discount Rate	5.99% non-hazardous

Post-retirement mortality rates (non-disabled) used 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 remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience for the period ending June 30, 2022 and adopted by the CERS Board of Trustees on May 9, 2023. The investment return, price inflation, and payroll growth assumption were adopted by the Board in May 2024 for use with the June 30, 2024 valuation to reflect future economic expectations.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years, at a minimum. The most recent analysis was based on a review of recent plan experience for the period ending June 30, 2022 and adopted by the CERS Board of Trustees on May 9, 2023. The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized the table below. The current long-term inflation assumption is 2.3% per annum for the nonhazardous plan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Target	Long-Term Expected
<u>Asset Class</u>	<u>Allocation</u>	<u>Real Rate of Return</u>
Equity:	60.00%	
Public Equity	50.00%	4.15%
Private Credit	10.00%	9.10%
Fixed Income:	20.00%	
Core Bonds	10.00%	2.85%
High Yield Credit	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected:	20.00%	
Real Estate	7.00%	4.90%
Real Return	<u>13.00%</u>	5.35%
Total	<u>100.00%</u>	
Expected Real Return		4.69%
Long Term Inflation Assumption		<u>2.50%</u>
Expected Nominal Return for Portfolio		<u>7.19%</u>

Discount rate – The single discount rate of 5.99% for CERS nonhazardous was used to measure the total OPEB liability as of June 30, 2024. The Single discount rate is based on the expected rate of return on OPEB plan investments of 6.50% and a municipal bond rate of 3.97%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2024. Future contributions are projected in accordance with the current funding policy mandated in KY Revised Statutes 61.565, as amended, which includes the requirement that each participating employer in the System contribute the actuarially determined contribution rate, which is determined using a closed funding period (the Kentucky General Assembly reset the amortization period to 30 years in 2020) and the actuarial assumptions and methods adopted by the Board of Trustees. Current assets, future contributions, and investment earnings are projected to be sufficient to pay the projected benefit payments from the retirement system

However, the cost associated with the implicit employer subsidy for non-Medicare retirees is not currently included in the calculation of the System’s actuarial determined contributions and any cost associated with the implicit subsidy is not paid out of the System’s trust. The implicit rate subsidy is paid by the Commonwealth of Kentucky self-insurance fund, Kentucky Employees Health Plan. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	1% Decrease	Current Discount Rate	1% Increase
CERS	4.99%	5.99%	6.99%
District's proportionate share of net OPEB liability \$	75,511 \$	(55,847) \$	(166,292)

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

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of net OPEB liability \$	(166,292) \$	(55,847) \$	35,616

The Kentucky Public Pensions Authority's publicly available financial report includes financial reports for the CERS OPEB plans and may be obtained from <https://www.kyret.ky.gov/Publications/Pages/Actuarial-Valuations.aspx>.

TRS of KY POST-EMPLOYMENT HEALTH CARE BENEFITS

The Commonwealth of Kentucky (State) reports a liability, deferred outflows of resources and deferred inflows of resources, and expense based on the statutory requirement to contribute to the TRS of KY Medical Insurance and Life Insurance Plans in a special funding situation for local school districts. Local school districts include a proportionate share of the liability, deferred outflows of resources and deferred inflows of resources, and expenses for the cost-sharing medical insurance plan.

Plan description—In addition to the pension benefits described in NOTE 6, KRS 161.675 requires TRS of KY to provide post-employment healthcare benefits to eligible employees and dependents. The TRS of KY Medical Insurance Fund is a cost-sharing multiple-employer defined benefit plan. Changes made to the medical plan may be made by the TRS of KY Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

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

Contributions—KRS 161.540 requires non-university members to contribute 3.75% to fund the post-retirement healthcare benefit, including members in Tier 4 hired after January 1, 2022. The

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Commonwealth of Kentucky contributes three quarters percent (.75%) from a state appropriation and local school district employers contribute three percent (3.00%). Contributions are based on statutory provisions, not an actuarially determined contribution rate.

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

The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.054393 percent. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of KTRS net OPEB liability	\$	1,212,000
Commonwealth's proportionate share of the KTRS net OPEB liability associated with the District		1,080,000
	\$	2,292,000

For the year ended June 30, 2025, the District recognized a decrease in OPEB expense of \$217,658. In addition, the District recognized on-behalf revenue and expenses of

		<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	-	\$	364,000
Changes of assumptions		309,000		-
Net difference between projected and actual earnings on pension plan investments		-		39,000
Changes in proportion and differences between District contributions and proportionate share of contributions		296,000		500,000
District contributions subsequent to the measurement date		171,940		
	\$	776,940	\$	903,000

Of the total amount reported as deferred outflows of resources related to OPEB, \$171,940 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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>	
2026	\$	(93,000)
2027		(12,000)
2028		(37,000)
2029		(80,000)
2030		(64,000)
Thereafter		<u>(12,000)</u>
	\$	<u><u>(298,000)</u></u>

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

Long-term investment rate of return inflation.	7.1%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.00 – 7.50%, including inflation Inflation rate 2.50%
Wage Inflation	2.75%
Single Equivalent Interest Rate inflation	7.10%, net of OPEB Plan investment expense, including inflation
	Healthcare cost trend rates
Medical Trend	6.50% for FYE 2024 decreasing to an ultimate rate of 4.50% by FY 2031
Medicare Part B Premiums	5.92% for FYE 2024 with an ultimate rate of 4.50% by 2035

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the in the June 30, 2024 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021. The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends) used in the June 30, 2024 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2024 valuation. The health care cost trend assumption was updated for the June 30, 2023 valuation and was show as an assumption change in the TOL roll forward, while the change in initial per capita claims costs were included with experience in the TOL roll forward.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>	Long-Term
Large Cap U.S. Equity	35.4%	5.0%	
Small Cap U.S. Equity	2.6%	5.5%	
Developed Internation Equity	15.0%	5.5%	
Emerging Markets Equity	5.0%	6.1%	
Fixed Income	9.0%	1.9%	
High Yield Bonds	8.0%	3.8%	
Other Additional Categories	9.0%	3.7%	
Real Estate	6.5%	3.2%	
Private Equity	8.5%	8.0%	
Cash	<u>1.0%</u>	1.6%	
Total	<u>100.0%</u>		

Discount rate - The discount rate used to measure the total health care OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%
- The pre-65 retiree health care costs for members retired on or after July 1, 2010 were assumed to be paid by either the State or the retirees themselves.
- Administrative expenses, except the administrative fee of \$8 PMPM paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due and are not considered in the cash flow projections.
- Cash flows occur mid-year.

Future contributions to the Health Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the Health Trust achieves a sufficient prefunded status, as determined by the retirement system’s actuary, the following Health Trust statutory contributions are to be decreased, suspended, or eliminated:

- Employee contributions
- School District/University Contributions
- State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010.

These adjustments were incorporated into the valuation with open group projections that assumed an equal, pro rata reduction to the current statutory amounts in the years if/when the Health Trust is projected to achieve a Funded Ratio of 100% or more. Here, the current statutory amounts are adjusted to achieve total contributions equal to the Actuarially Determined Contribution (ADC), as determined by the prior year’s valuation and in accordance with the Health Trust’s funding policy (Schedule B). As the specific methodology to be used for the adjustments has yet to be determined, there may be differences between the projected results and future experience. This may also include any changes to retiree contributions for KEHP coverage pursuant to KRS 161.675(4)(b).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Adjustments to the statutory contributions in future years were based on the following assumptions:
 - Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP.
 - Estimates for new entrants were based on the assumption that active headcounts would remain flat for all future years.

Based on these assumptions, the Health Trust’s fiduciary net position was projected to be sufficient to pay benefits.

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

	1% Decrease	Current Discount Rate	1% Increase
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	\$ 1,611,000	\$ 1,212,000	\$ 882,000

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

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 819,000	\$ 1,212,000	\$ 1,701,000

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

TRS Life Insurance Plan

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

Benefits provided – TRS provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability. TRS provides a life insurance benefit of \$2,000 payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member’s estate or to a party designated by the member.

Contributions – The Commonwealth of Kentucky contributed 0.08% of salary to the Life Insurance Trust for the fiscal year ended June 30, 2025 and 0.08% for fiscal year June 30, 2024.

TRS OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Resources Related to OPEBs

At June 30, 2025, 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 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 KTRS net OPEB liability	\$ 1,212,000
Commonwealth's proportionate share of the KTRS net OPEB liability associated with the District	<u>1,080,000</u>
	\$ <u><u>2,292,000</u></u>

For the year ended June 30, 2025, the District recognized OPEB revenue and expense of \$158,145 for support provided by the State.

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

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation. Projected
salary increases	3.50 – 7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.50%
Wage Inflation	2.75%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including 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 in the June 30, 2024 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends) used in the June 30, 2024 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2024 valuation. The health care cost trend assumption was updated for the June 30, 2023 valuation and wash show as an assumption change in the TOL roll forward, while the change in initial per capita claims costs were included with experience in the TOL roll forward

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Long-Term Expected Real

Asset Class	Target Allocation	Rate of Return
Large Cap U.S. Equity	40.0%	5.2%
Developed Internation Equity	15.0%	5.5%
Emerging Markets Equity	5.0%	6.1%
Fixed Income	21.0%	1.9%
Other Additional Categories	5.0%	4.0%
Real Estate	7.0%	3.2%
Private Equity	5.0%	8.0%
Cash	2.0%	1.6%
Total	100.0%	

Single Equivalent Interest 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 was performed in accordance with GASB 75. The projection’s basis was an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023 actuarial valuation, the following actuarial methods and assumptions were used in the projection of the Life Trust’s cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the Valuation Date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The employer will contribute the Statutory Contribution in accordance with the Life Trust’s funding policy.
- Administrative expenses were assumed to paid in all years by the employer as they come due and are not considered in the cash flow projections.
- Active employees do not explicitly contribute to the plan.
- Cash flows occur mid-year.

Based on these assumptions, the Life Trust’s fiduciary net position was projected to be sufficient to pay all benefits for all current members.

OPEB plan fiduciary net position – TRS of KY issues a publicly available financial report that can be obtained at <https://trs.ky.gov/administration/financial-reports-information/>.

NOTE G – COMMITMENTS

The District did not have any commitments as of June 30, 2025.

NOTE H – CONTINGENCIES

The District receives funding from Federal, State and Local governmental 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 un-reimbursed disbursements, if any, is not expected to be significant. Continuation of the District’s grant programs is predicated upon the grantors’ satisfaction the funds provided are being spent as intended and the grantors’ intent to continue their program.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE I – LITIGATION

The District has no pending or threatened litigation involving amounts exceeding \$20,000 individually or in the aggregate as of June 30, 2025.

NOTE J – INSURANCE AND RELATED ACTIVITIES

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, illegal acts etc. 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.

NOTE K – RISK MANAGEMENT

The District is exposed to various risks of loss related to illegal acts, torts, theft/damage/destruction of assets, errors and omissions, injuries to employees, and natural disasters. To obtain insurance for workers’ compensation, unemployment, errors and omission, and general liability coverage, the District purchased commercial insurance policies.

NOTE L – COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. Failure to comply with this requirement may put the school district at risk for a substantial loss (contingency).

NOTE M – TRANSFER OF FUNDS

The following transfers were made during the year:

<u>From Fund</u>	<u>To Fund</u>		<u>Amount</u>	<u>Purpose</u>
General	Special Revenue	\$	26,205	Grant matching
Special Revenue	General		168,467	Indirect Costs
Capital Outlay	General		136,327	Operations
FSPK	General		180,891	Operations
Food Service	General		54,918	Indirect Costs
FSPK	Debt Service	\$	258,129	Debt Payments

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE N – ON-BEHALF PAYMENTS

For fiscal year 2025, the Commonwealth of Kentucky contributed estimated payments on behalf of the District as follows:

<u>Plan/Description</u>	<u>Amount</u>
Kentucky Teachers Retirement System (GASB Schedule A) \$	1,142,693
Health and Life Insurance	1,436,307
Administrative Fee	11,824
HRA/Dental/Vision	50,575
Federal Reimbursement	(89,094)
Technology	32,763
SFCC Debt Service Payments	<u>51,204</u>
Total	<u>\$ 2,636,273</u>

These amounts are included in the financial statements as state revenue and an expense allocated to the different functions in the same proportion as full-time employees.

NOTE O– ADOPTION OF ACCOUNTING PRINCIPLE

The District adopted GASB 101, *Compensated Absences*, during FY 2025. This required a restatement of the beginning net position for governmental activities as follows:

Net Position June 30, 2024	\$ 4,977,028
Adoption of Accounting Principle	<u>(364,865)</u>
Restated Net Position June 30, 2024	<u>\$ 4,612,163</u>

NOTE P– SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 30, 2026 the date the financial statements were available to be issued.

Hickman County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
From Local Sources				
Taxes				
Property	\$ 2,088,844	2,088,844	\$ 2,286,556	\$ 197,713
Motor vehicle	279,950	279,950	284,386	4,436
Unmined minerals	50	50	54	4
Utilities	250,000	250,000	294,593	44,593
Earnings on investments	130,000	130,000	190,853	60,853
Other local revenue	200,000	200,000	256,281	56,281
Intergovernmental - state	5,343,720	5,343,720	5,802,148	458,428
Intergovernmental - federal	35,000	35,000	47,460	12,460
Total revenues	<u>8,327,564</u>	<u>8,327,564</u>	<u>9,162,331</u>	<u>834,767</u>
EXPENDITURES				
Instruction	4,647,593	4,652,330	4,736,706	(84,376)
Support Services				
Student	441,576	443,576	437,982	5,594
Instructional Staff	336,482	336,482	338,520	(2,038)
District Administration	691,602	691,993	608,235	83,758
School Administration	469,304	469,304	473,721	(4,418)
Business	456,697	456,697	441,357	15,340
Plant Operation & Maintenance	1,342,816	1,343,416	1,122,520	220,896
Student Transportation	679,359	681,359	503,749	177,610
Community Services	13,977	13,977	12,650	1,327
Other Non Instruction			-	-
Total expenditures	<u>9,079,406</u>	<u>9,089,134</u>	<u>8,675,441</u>	<u>413,694</u>
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	(751,842)	(761,570)	486,891	1,248,461
OTHER FINANCING SOURCES (USES)				
Sale of equipment			118,841	118,841
Operating transfers in	395,208	395,208	560,368	165,160
Operating transfers (out)	(47,116)	(47,116)	(45,971)	1,145
Total other financing sources and (uses)	<u>348,092</u>	<u>348,092</u>	<u>633,238</u>	<u>285,146</u>
NET CHANGE IN FUND BALANCE	(403,750)	(413,478)	1,120,128	1,533,607
FUND BALANCE-BEGINNING	<u>3,087,304</u>	<u>3,087,304</u>	<u>3,172,304</u>	<u>85,000</u>
FUND BALANCE-ENDING	<u>\$ 2,683,554</u>	<u>\$ 2,673,826</u>	<u>\$ 4,292,433</u>	<u>\$ 1,618,607</u>

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
From Local Sources				
Other local revenue	\$ 168,635	129,189	\$ 192,400	\$ 63,211
Earnings on investments			950	950
Intergovernmental - state	422,836	426,869	435,666	8,797
Intergovernmental - federal	1,497,529	1,028,096	1,058,169	30,073
Total revenues	<u>2,088,999</u>	<u>1,584,154</u>	<u>1,687,186</u>	<u>103,032</u>
EXPENDITURES				
Instruction	1,369,698	1,059,794	1,147,535	(87,741)
Support Services				
Student	47,390	43,095	48,411	(5,316)
Instructional Staff	60,051	67,620	64,429	3,191
District Administration	105,828		-	-
Business Support			-	-
Plant Operation & Maintenance	90,088	151,532	94,049	57,483
Student Transportation	163,506		-	-
Food Service			79,470	(79,470)
Community Services Operations	119,111	110,969	111,031	(62)
Total expenditures	<u>1,955,671</u>	<u>1,433,010</u>	<u>1,544,924</u>	<u>(111,914)</u>
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	133,328	151,144	142,262	(8,882)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	25,573	27,350	26,205	(1,145)
Operating transfers (out)	(158,902)	(169,208)	(168,467)	741
Total other financing sources and (uses)	<u>(133,328)</u>	<u>(141,858)</u>	<u>(142,262)</u>	<u>(403)</u>
NET CHANGE IN FUND BALANCE	(0)	9,286	-	9,286
FUND BALANCE-BEGINNING	-	-	-	-
FUND BALANCE-ENDING	<u>\$ (0)</u>	<u>\$ 9,286</u>	<u>\$ -</u>	<u>\$ 9,286</u>

See the accompanying notes to the financial statements.

HICKMAN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CERS and TRS
For the year ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)
COUNTY EMPLOYEE'S RETIREMENT SYSTEM:									
Districts' proportion of the net pension liability (asset)	0.03225%	0.03414%	0.03164%	0.03838%	0.03696%	0.03889%	0.03802%	0.03977%	0.04316%
District's proportionate share of the net pension liability (asset) \$	1,928,866	2,190,853	2,287,332	2,447,026	2,834,571	2,735,432	2,315,534	2,327,802	1,958,428
State's proportionate share of the net pension liability (asset) associated with the District	-	-	-	980,333.00	939,426.00	988,272.00	942,309.00	854,192.00	-
Total	<u>\$ 1,928,866</u>	<u>\$ 2,190,853</u>	<u>\$ 2,287,332</u>	<u>\$ 3,427,359</u>	<u>\$ 3,773,997</u>	<u>\$ 3,723,704</u>	<u>\$ 3,257,843</u>	<u>\$ 3,181,994</u>	<u>\$ 1,958,428</u>
District's covered-employee payroll	\$ 1,012,572	\$ 1,777,544	\$ 629,639						
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	190.49%	123.25%	363.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	61.61%	57.68%	52.00%	57.33%	47.71%	50.45%	53.54%	53.32%	55.50%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:									
District's proportion of the net pension liability (asset)	0.107%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's proportionate share of the net pension liability (asset) \$	-	-	-	-	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	17,580,765	18,587,830	18,494,817	15,193,678	16,038,292	15,354,424	14,796,911	32,230,348	35,037,573
Total	<u>\$ 17,580,765</u>	<u>\$ 18,587,830</u>	<u>\$ 18,494,817</u>	<u>\$ 15,193,678</u>	<u>\$ 16,038,292</u>	<u>\$ 15,354,424</u>	<u>\$ 14,796,911</u>	<u>\$ 32,230,348</u>	<u>\$ 35,037,573</u>
District's covered-employee payroll	\$ 4,203,929	\$ 4,148,848	\$ 2,431,280	\$ 3,685,128	\$ 3,572,959	\$ 3,472,265	\$ 3,433,231	\$ 3,566,092	\$ 3,510,777
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability (asset)	60.36%	57.70%	56.40%	65.59%	58.27%	58.76%	59.28%	39.83%	35.22%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See the accompanying notes to the required supplementary information.

HICKMAN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS
CERS and TRS
For the year ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
COUNTY EMPLOYEE'S RETIREMENT SYSTEM:									
Contractually required contribution	\$ 228,635	\$ 231,925	\$ 199,314	\$ 185,043	\$ 189,214	\$ 181,318	\$ 160,294	\$ 136,455	\$ 128,373
Contributions in relation to the contractually required contribution	<u>228,635</u>	<u>231,925</u>	<u>199,314</u>	<u>185,043</u>	<u>189,214</u>	<u>181,318</u>	<u>160,294</u>	<u>\$ 136,455</u>	<u>\$ 128,373</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>							
District's covered-employee payroll	\$ 1,012,572	\$ 1,777,544	\$ 629,639	\$ 874,117	\$ 980,333	\$ 939,426	\$ 988,272	\$ 942,309	\$ 966,886
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	22.58%	13.05%	31.66%	21.17%	19.30%	19.30%	16.22%	14.48%	13.28%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:									
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>							
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>							
District's covered-employee payroll	\$ 4,203,929	\$ 4,148,848	\$ 2,431,280	\$ 3,489,596	\$ 3,685,128	\$ 3,572,959	\$ 3,472,265	\$ 3,433,231	\$ 3,566,092
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See the accompanying notes to the required supplementary information.

HICKMAN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION
For the Year Ended June 30, 2025

COUNTY EMPLOYEES RETIREMENT SYSTEM:

The actuarially determined contribution rates are determined on an annual basis using the actuarial valuation conducted two years prior to the year in which the contribution will be assessed.

2023 Changes of Assumptions - The inflation rate was increased to 2.5% and the investment rate of return was increased to 6.5%. The system mortality table was revised to MP-2020 and the base year was changed to 2023.

2020 Changes of Assumptions –The amortization period for the unfunded liability was reset as of June 30, 2019, to a closed 30-year period.

2019 Changes of Assumptions – The 2019 actuarial valuation used updated mortality tables for all categories of members and beneficiaries and a system-specific mortality table for non-disabled retirees. In 2019, mortality rates for active members were based on the PUB-2010 General Mortality table, for the nonhazardous members projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. Post-retirement mortality rates (non-disabled) used a system-specific mortality table based on mortality experience from 2013 – 2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The PUB-2010 Disabled Mortality Table is used for post-retirement mortality for disabled retirees with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. Previous valuations were based on RP-2000 Combined Mortality Tables.

2017 Changes of Assumptions – For the 2017 actuarial valuation, several key actuarial assumptions were revised. Changes in assumptions prior to 2016 provided minor adjustments to the actuarial measurements. The following table outlines the actuarial methods and assumptions that were used in 2019 and 2016 to determine contribution rates reported for all systems:

Assumption	2017 Valuation	2016 Valuation
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level of Percentage of Payroll, closed	Level of Percentage of Payroll, closed
Remaining Amortization Period	26 Years	27 Years
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Post-retirement benefit adjustments	0.00%	0.00%
Inflation	2.30%	3.25%
Salary Increase	3.3% to 11.55% varies by service), average, including Inflation	4% , average, including Inflation
Investment Rate of Return	6.25% , Net of Pension Plan Investment Expense, including Inflation	7.5% , Net of Pension Plan Investment Expense, including Inflation

HICKMAN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION
For the Year Ended June 30, 2025

Changes of Benefit Terms -

2014: A cash balance plan was introduced for member whose participation date begins on or after January 1, 2014

2009: A new benefit tier for members who first participate on or after September 1, 2008 was introduced which included the following changes:

1. Tiered Structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

KENTUCKY TEACHER'S RETIREMENT SYSTEM:

2023 – No changes to benefits or assumptions

2022 Changes of Benefit Terms – A new benefit tier was added for members joining TRS on and after January 1, 2022. Tier 4 includes a foundational benefit (defined benefit) and a supplemental benefit (defined contribution). The foundational benefit changes the condition for retirement to attainment of age 57 and 10 years of service or age 65 and 5 years of service. Members hired before July 1, 2008, were eligible for retirement with 27 years of service or at age 55 with 5 years of service. Members hired after July 1, 2008, but before January 1, 2022, were eligible with 27 years of service, or at age 50 with 5 years of service, or at age 55 with 10 years of service. Multipliers based on service are slightly higher for Tier 4 members.

The supplemental benefit is based on an account balance that includes member and employer contributions plus interest credited annually on June 30. Tier 4 members may opt for an annuitized or lump sum distribution.

2022 Changes of Assumptions – The 2020 experience study was used to adjust rates of withdrawal, retirement, disability, mortality, and rates of salary increases to reflect actual experience more closely. The expectation of mortality was changed to the Pub 2010 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 SEIR results in an assumption change from 7.50% to 7.10%.

2018 Changes of Assumptions – The 2018 actuarial analysis for TRS of Ky indicated that cash flow for the system would be sufficient to pay benefits in all periods. As a result, the discount rate for the 2018 study was the same as the long-term expected yield of 7.5%. In 2017, the analysis used a blended rate of 4.49% which included the application of the municipal bond index to periods after 2038. The actuarial gains for this change will be recognized over the average remaining service lives for active members (10.6 years for the 2020 valuation) and are creating negative pension expense for the TRS pension system.

2017 Changes of Assumptions – The Single Equivalent Interest Rate was increased from 4.20% to 4.49%.

2016 Changes of Assumptions – The Single Equivalent Interest Rate was decreased from 4.88% to 4.20%. Rates of withdrawal, retirement, disability and mortality were adjusted based on an experience study conducted in 2015. The Assumed Salary Scale, Price Inflation, and Wage Inflation were also decreased.

2015 Changes of Assumptions – The Single Equivalent Interest Rate was decreased from 5.23% to 4.88%.

HICKMAN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
MEDICAL AND LIFE INSURANCE PLANS - TEACHERS' RETIREMENT SYSTEM
For the year ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)
MEDICAL INSURANCE PLAN							
Districts' proportion of the net OPEB liability (asset)	0.0543930%	0.05719%	0.07880%	0.06227%	0.06069%	0.05982%	0.05841%
District's proportionate share of the net OPEB liability (asset)	\$ 1,212,000	\$ 1,393,000	\$ 1,956,000	\$ 1,336,000	\$ 1,531,765	\$ 1,751,000	\$ 2,027,000
State's proportionate share of the collective net OPEB liability (asset) associated with the District	1,080,000	1,174,000	1,956,000	1,085,000	1,227,000	1,414,000	1,747,000
Total	<u>\$ 2,292,000</u>	<u>\$ 2,567,000</u>	<u>\$ 3,912,000</u>	<u>\$ 2,421,000</u>	<u>\$ 2,758,765</u>	<u>\$ 3,165,000</u>	<u>\$ 3,774,000</u>
District's covered-employee payroll	\$ 4,203,929	\$ 4,148,848	\$ 2,431,280	\$ 3,685,128	\$ 3,572,959	\$ 3,472,265	\$ 3,433,231
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	28.83%	33.58%	80.45%	36.25%	42.87%	50.43%	59.04%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	59.81	52.97	47.74	51.74%	39.05%	32.58%	25.50%
LIFE INSURANCE PLAN							
Districts' proportion of the net OPEB liability (asset)	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	25,000	29,000	32,000	37,000	33,000	30,000	25,000
Total	<u>\$ 25,000</u>	<u>\$ 29,000</u>	<u>\$ 32,000</u>	<u>\$ 37,000</u>	<u>\$ 33,000</u>	<u>\$ 30,000</u>	<u>\$ 25,000</u>
District's covered-employee payroll	\$ 4,203,929	\$ 4,148,848	\$ 2,431,280	\$ 3,572,959	\$ 3,472,265	\$ 3,433,231	\$ 3,566,092
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	80.56%	76.91%	73.97%	71.57%	73.40%	75.00%	79.99%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See the accompanying notes to the required supplementary information.

HICKMAN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS
MEDICAL AND LIFE INSURANCE PLANS - TEACHERS' RETIREMENT SYSTEM
For the year ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019
MEDICAL INSURANCE PLAN							
Contractually required contribution	\$ 115,774	\$ 199,718	\$ 138,910	\$ 104,688	\$ 110,555	\$ 107,190	\$ 104,169
Contributions in relation to the contractually required contribution	<u>115,774</u>	<u>199,718</u>	<u>138,910</u>	<u>104,688</u>	<u>110,555</u>	<u>107,190</u>	<u>104,169</u>
Contribution deficiency (excess)	<u><u>-</u></u>						
District's covered-employee payroll	\$ 4,203,929	\$ 4,148,848	\$ 2,431,280	\$ 3,489,596	\$ 3,685,128	\$ 3,572,959	\$ 3,472,265
District's proportionate share as a percentage of it's covered-employee payroll	2.75%	4.81%	5.71%	3.00%	3.00%	3.00%	3.00%
LIFE INSURANCE PLAN							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>						
Contribution deficiency (excess)	<u><u>-</u></u>						
District's covered-employee payroll	4,203,929	4,148,848	2,431,280	\$ 3,489,596	\$ 3,685,128	\$ 3,572,959	\$ 3,472,265
District's proportionate share as a percentage of it's covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See the accompanying notes to the required supplementary information.

HICKMAN COUNTY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
HEALTH INSURANCE PLAN - COUNTY EMPLOYEE RETIREMENT SYSTEM
For the year ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)
HEALTH INSURANCE PLAN							
Districts' proportion of the net OPEB liability (asset)	0.0322850%	0.03414%	0.03164%	0.03837%	0.03695%	0.03888%	0.03802%
District's proportionate share of the net OPEB liability (asset)	\$ (55,847)	\$ (47,140)	\$ 624,341	\$ 734,594	\$ 892,135	\$ 653,995	\$ 675,002
State's proportionate share of the collective net OPEB liability (asset) associated with the District	-	-	-	-	-	-	-
Total	<u>\$ (55,847)</u>	<u>\$ (47,140)</u>	<u>\$ 624,341</u>	<u>\$ 734,594</u>	<u>\$ 892,135</u>	<u>\$ 653,995</u>	<u>\$ 675,002</u>
District's covered-employee payroll	\$ 1,012,572	\$ 1,777,544	\$ 629,639	\$ 980,333	\$ 939,426	\$ 988,272	\$ 942,309
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-5.52%	-2.65%	99.16%	74.93%	94.97%	66.18%	71.63%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	-5.31%	-4.63%	60.94%	62.91%	51.67%	60.44%	57.62%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See the accompanying notes to the required supplementary information.

HICKMAN COUNTY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE PLAN - COUNTY EMPLOYEE RETIREMENT SYSTEM
For the year ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
MEDICAL INSURANCE PLAN								
Contractually required contribution	\$ 9,581	\$ 8,368	\$ 36,486	\$ 50,531	\$ 46,654	\$ 44,708	\$ 51,987	\$ 44,280
Contributions in relation to the contractually required contribution	<u>9,581</u>	<u>8,368</u>	<u>36,486</u>	<u>50,531</u>	<u>46,654</u>	<u>44,708</u>	<u>51,987</u>	<u>44,280</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 1,012,572	\$ 1,777,544	\$ 629,639	\$ 874,117	\$ 980,333	\$ 939,426	\$ 988,272	\$ 942,309
District's proportionate share as a percentage of it's covered-employee payroll	0.95%	0.47%	5.79%	5.78%	4.76%	4.76%	5.26%	4.70%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See the accompanying notes to the required supplementary information.

HICKMAN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-OPEB
 For the year ended June 30, 2025

COUNTY EMPLOYEES RETIREMENT SYSTEM:

Valuation Date: June 30, 2024

2023 Changes in Actuarial Assumptions: Investment return assumption was raised to 6.50% for the actuarial valuation and the municipal bond rate was raised 3.86%. The single discount rate for the 2023 measurement was increased to 5.93%. Contributions in the 2023 measurement period were based on the 2021 valuation that used an investment return of 6.25%, inflation of 2.3%, and salary increases of 3.3% to 10.30%, depending on service.

2022 Changes in Actuarial Assumptions: Initial rates for health cost trends for retirees under age 65 were lowered from 6.4% to 6.25% and rates for retirees ages 65 or older were increased from 2.9% to 5.5%. Municipal bond index rate was lowered from 2.45% to 1.92% (Fidelity 20-Year Municipal GO AA Index). And the single discount rate for the CERS non-hazardous insurance plan was lowered from 5.34% to 5.20%.

2017 Changes in Actuarial Assumptions: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions which were changed from the 2016 actuarial valuation, applied to all periods included in the measurement:

Investment rate of Return	6.25%, net of OPEB plan investment expense,
Projected salary increases	including inflation.
Inflation rate	4% average
Healthcare cost trend rates Under 65	3.25%
Ages 65 and Older	Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years
Municipal Bond Index Rate	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years
Discount Rate	3.56%
	5.84%

KENTUCKY TEACHER'S RETIREMENT SYSTEM:

Medical

Valuation Date: June 30, 2024

2023 Changes to Actuarial Assumptions:

- Health care trend rates, as well as the TRS 4 retirement decrements, were updated to reflect future anticipated experience.

2022 Changes to Actuarial 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, setbacks, and adjustments for each of the groups; service retirees, contingent annuitants, disabled retirees, and actives.

HICKMAN COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-OPEB

For the year ended June 30, 2025

- The assumed long-term investment rate of return was changed from 8.00% for the Health Trust to 7.10% The price inflation assumption was lowered from 3.00% to 2.5%
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

2020 Changes to Actuarial Assumptions:

The actuary updated the health care trend rates based on current economic data.

2017 Changes to Benefit Terms:

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

Life

Valuation Date: June 30, 2024

2022 Changes to 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, setbacks, 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% for the Life Trust to 7.10% The price inflation assumption was lowered from 3.00% to 2.5%
- The rates of member participation and spousal participation were adjusted to reflect actual experience more closely.

2021 Changes to benefits:

- Tier 4 was added for members joining the system on and after January 1, 2022. Changes to the Life insurance benefit include:
 - \$5,000 for retired members if hired prior to January 1, 2022.
 - \$10,000 for retired members if hired on or after January 1, 2022.
 - \$2,000 for active contributing members if hired prior to January 1, 2022.
 - \$5,000 for active contributing members if hired on or after January 1, 2022

Hickman County School District
Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2025

	<u>Capital Outlay</u>	<u>Building Fund</u>	<u>Construction</u>	<u>School Activity Fund</u>	<u>District Activity Fund</u>	<u>Total</u>
Assets						
Cash and Cash Equivalents	\$ 130,554	\$ 103,722	\$ -	\$ 141,925	\$ 32,075	\$ 408,276
Total Assets	<u>130,554</u>	<u>103,722</u>	<u>-</u>	<u>141,925</u>	<u>32,075</u>	<u>408,276</u>
Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 175	\$ 175
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>
Fund Balance						
Restricted	130,554	103,722	-	141,925		376,201
Assigned					31,900	31,900
Fund Balance	<u>130,554</u>	<u>103,722</u>	<u>-</u>	<u>141,925</u>	<u>31,900</u>	<u>408,101</u>
Total Fund Balance and Liabilities	<u>\$ 130,554</u>	<u>\$ 103,722</u>	<u>\$ -</u>	<u>\$ 141,925</u>	<u>\$ 32,075</u>	<u>\$ 408,276</u>

See the accompanying notes to the financial statements.

Hickman County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended June 30, 2025

	<u>Capital Outlay</u>	<u>Building</u>	<u>Construction</u>	<u>School Activity Fund</u>	<u>District Activity Fund</u>	<u>Total</u>
Revenues						
From Local Sources						
Property Taxes	\$	\$ 235,130	\$	\$	\$	\$ 235,130
Student Activities				115,825	27,002	142,828
Food Service				206,884	2,300	209,184
Earnings on Investments	6,378	5,068		708		12,153
Other Local Revenue				116,357	9,092	125,449
Intergovernmental - State	<u>65,581</u>	<u>161,964</u>				<u>227,545</u>
Total Revenues	<u>71,959</u>	<u>402,162</u>	<u>-</u>	<u>439,774</u>	<u>38,394</u>	<u>952,289</u>
Expenditures						
Instruction				297,772	39,146	336,918
Student Transportation				4,126		4,126
Building Acquisitions & Constructions						-
Other Non-Instruction				<u>114,411</u>		<u>114,411</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,309</u>	<u>39,146</u>	<u>455,455</u>
Excess (Deficit) of Revenues Over Expenditures	<u>71,959</u>	<u>402,162</u>	<u>-</u>	<u>23,465</u>	<u>(751)</u>	<u>496,834</u>
Other Financing Sources (Uses)						
Transfers In						-
Transfers (Out)	<u>(136,327)</u>	<u>(439,019)</u>				<u>(575,346)</u>
Total Other Financing Sources (Uses)	<u>(136,327)</u>	<u>(439,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(575,346)</u>
Net Change in Fund Balances	<u>(64,368)</u>	<u>(36,858)</u>	<u>-</u>	<u>23,465</u>	<u>(751)</u>	<u>(78,512)</u>
Fund Balance Beginning	<u>194,922</u>	<u>140,579</u>	<u>-</u>	<u>118,460</u>	<u>32,651</u>	<u>486,613</u>
Fund Balance Ending	<u>\$ 130,554</u>	<u>\$ 103,722</u>	<u>\$ -</u>	<u>\$ 141,925</u>	<u>\$ 31,900</u>	<u>\$ 408,101</u>

See the accompanying notes to the financial statements.

Hickman County School District
Combining Balance Sheet - School Activity Funds
 June 30, 2025

SCHOOL ACTIVITY FUNDS

	<u>HICKMAN COUNTY HIGH SCHOOL</u>	<u>HICKMAN COUNTY ELEMENTARY</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 126,365	\$ 15,561	\$ 141,925
Total Assets	<u>126,365</u>	<u>15,561</u>	<u>141,925</u>
LIABILITIES			
Accounts payable			-
FUND BALANCE			
School activities	<u>126,365</u>	<u>15,561</u>	<u>141,925</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 126,365</u>	<u>\$ 15,561</u>	<u>\$ 141,925</u>

See the accompanying notes to the financial statements.

Hickman County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - School Activity Funds
 June 30, 2025

	SCHOOL ACTIVITY FUNDS		
	HICKMAN COUNTY HIGH SCHOOL	HICKMAN COUNTY ELEMENTARY	TOTAL
Revenues			
Student/Trust revenues	\$ 405,770	\$ 34,004	\$ 439,774
Expenses			
Student/Trust activities	377,599	38,710	416,309
Excess (Deficit) of Revenues Over Expenses	28,171	(4,706)	23,465
Fund Balance Beginning	98,193	20,267	118,460
Fund Balance Ending	\$ 126,365	\$ 15,561	\$ 141,925

See the accompanying notes to the financial statements.

Hickman County School District
Statement of Revenues, Expenses and Changes in the Fund Balance - Hickman County High School
Year ended June 30, 2025

	FUND BALANCE BEGINNING	REVENUES	EXPENSES	TRANSFERS	FUND BALANCE ENDING
GENERAL	\$ 2,914	\$ 21,467	\$ 24,369	\$ -	\$ 12.33
STUDENT FEES	-	9,438	-	(9,438.00)	-
COMMUNITY EDUCATION	716	550	304	-	962.38
FLOWER FUND	1,171	60	1,096	(113.90)	21.52
FLIGHT	-	-	-	-	-
KAPS	15,450	27,774	30,766	(220.00)	12,239.01
RETIREMENT RECEPTION	10	-	-	-	9.92
STAFF REWARDS	793	4,851	5,691	81.25	34.44
ATHLETIC	3,302	58,453	53,124	(2,330.00)	6,301.19
LITTLE LEAGUE	-	3,557	2,051	-	1,505.95
BOY'S BASKETBALL	7,271	5,045	13,899	7,500.00	5,917.83
GIRL'S BASKETBALL	-	14,600	8,595	-	6,005.20
BASEBALL	11,747	44,911	40,365	-	16,293.28
SOFTBALL	7,026	44,246	39,949	(2,130.18)	9,192.09
VOLLEYBALL	431	8,312	6,529	7,180.00	9,394.11
CROSS COUNTRY	865	3,808	1,944	-	2,729.34
GOLF	831	6,471	493	-	6,808.69
CHEERLEADERS	0	32,497	28,758	(2,000.00)	1,738.75
ARCHERY	5,466	2,806	2,835	-	5,437.18
MS BASKETBALL CONCESSIONS	1,500	-	-	(1,500.02)	-
CONCESSIONS	1,500	35,862	22,537	(12,787.15)	2,037.86
HS BETA	1,287	3,365	3,462	(160.00)	1,030.49
MS BETA	899	3,200	3,249	-	849.87
HS STEM CLUB	2,384	1,168	486	(10.00)	3,055.71
MS SCIENCE	752	210	106	-	855.78
FBLA	1,909	2,225	2,427	(120.00)	1,586.53
FFA	6,742	16,699	16,819	(50.00)	6,572.70
FCCLA	2,730	7,956	11,317	1,855.00	1,224.20
SPANISH	-	475	145	(20.00)	310.00
TRAP	1,449	2,927	1,544	-	2,832.02
ACADEMIC	728	190	679	-	238.84
YEARBOOK	67	18,030	16,901	300.00	1,497.04
FCA	1,474	-	29	(30.00)	1,414.88
LIBRARY	125	220	220	-	125.47
ED RISING	895	80	-	-	975.04
PEP CLUB	1,523	660	396	(20.00)	1,766.84
GREEN HOUSE	1,232	1,588	1,105	-	1,715.31
MILITARY	1,176	180	-	-	1,356.32
PROM	1,439	3,837	3,607	-	1,668.44
STUDENT COUNCIL	521	2,609	2,973	-	156.71
DRAMA	878	4,300	1,738	(1,925.00)	1,515.20
CRAFT CLUB	298	271	50	-	518.96
JAMES H. PHILLIPS SCHISHP	325	400	500	-	225.00
HC RETIRED TEACHERS	-	1,800	1,800	-	-
SHILOH TEST ASSISTANCE	2,543	1,102	1,803	500.00	2,342.50
4 RIVERS	1,145	-	-	-	1,144.87
HC ALUMNI SCHOLARSHIP	947	325	500	-	772.48
FIRST DISTRICT TOURNAMENT	-	1,460	-	-	1,460.00
SMITH-SPRAGGS SCHOLARSHIP	3,727	785	2,000	-	2,512.32
JERRY LACEWELL SCHOLARSHI	-	-	-	-	-
BILLY BROWN SCHOLARSHIP	-	4,000	4,000	-	-
SCHOLARSHIP	-	1,000	1,000	-	-
DIST. ACTIVITY FUND SWEEP	-	-	15,438.00	15,438.00	-
TOTALS	\$ 98,193	\$ 405,770	\$ 377,599	\$ -	\$ 126,365

See the accompanying notes to the financial statements.

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

Award Information	AL/other #	Pass-Through Entity Name	Pass-Through Entity #	Passed-through to Subrecipients (\$)	Federal Expenditures (\$)
Child Nutrition Cluster-Cluster					
United States Department of Agriculture					
School Breakfast Program					
School Breakfast Program	10.553	KY Department of Education	7760005-24		52,630
School Breakfast Program	10.553	KY Department of Education	7760005-25		198,851
Total School Breakfast Program				-	251,481
National School Lunch Program					
National School Lunch Program	10.555	KY Department of Education	7750002-24		103,624
National School Lunch Program	10.555	KY Department of Education	7750002-25		342,462
Total National School Lunch Program				-	446,086
Summer Food Service Program for Children					
Summer Food Service Program for Children	10.559	KY Department of Education	7740023-25		4,666
Summer Food Service Program for Children	10.559	KY Department of Education	7690024-25		479
Total Summer Food Service Program for Children				-	5,145
Total United States Department of Agriculture					
					702,712
Total Child Nutrition Cluster-Cluster					
Food Distribution Cluster-Cluster					
United States Department of Agriculture					
Commodity Supplemental Food Program					
Commodity Supplemental Food Program	10.565	KY Department of Agriculture	510.4950		43,680
Total Commodity Supplemental Food Program				-	43,680
Total United States Department of Agriculture					
					43,680
Total Food Distribution Cluster-Cluster					
Special Education Cluster (IDEA)-Cluster					
Department of Education					
Special Education Grants to States					
Special Education Grants to States	84.027	KY Department of Education	3810002-23		43,637
Special Education Grants to States	84.027	KY Department of Education	3810002-24		164,074
Total Special Education Grants to States				-	207,711
Special Education Preschool Grants					
Special Education Preschool Grants	84.173	Kentucky Department of Education	3800002-24		19,703
Total Special Education Preschool Grants				-	19,703
Total Department of Education					
					227,414
Total Special Education Cluster (IDEA)-Cluster					
Head Start Cluster-Cluster					
Department of Health and Human Services					
Head Start					
Head Start	93.600	Murray Independent School District	Hickman County 2024-2025		166,708
Total Head Start				-	166,708
Total Department of Health and Human Services					
					166,708
Total Head Start Cluster-Cluster					
Other Programs (Treated individually for major program determination)					
United States Department of Agriculture					
State Administrative Expenses for Child Nutrition					
State Administrative Expenses for Child Nutrition	10.560	KY Department of Education	7700001-24		604
Total State Administrative Expenses for Child Nutrition				-	604
Child Nutrition Discretionary Grants Limited Availability					
Child Nutrition Discretionary Grants Limited Availability	10.579	KY Department of Education	7840027-23		25,000
Total Child Nutrition Discretionary Grants Limited Availability				-	25,000
Total United States Department of Agriculture					
					25,604
Department of Education					
Title I Grants to Local Educational Agencies					
Title I Grants to Local Educational Agencies	84.010	KY Department of Education	3100002-23		103,223
Title I Grants to Local Educational Agencies	84.010	KY Department of Education	3100002-24		241,391
Total Title I Grants to Local Educational Agencies				-	344,614
Career and Technical Education -- Basic Grants to States					
Career and Technical Education -- Basic Grants to States	84.048	KY Department of Education	3710002-24		5,311
Total Career and Technical Education -- Basic Grants to States				-	5,311
Rural Education					
Rural Education	84.358	KY Department of Education	3140002-22		4,589
Rural Education	84.358	KY Department of Education	3140002-23		20,238
Rural Education	84.358	KY Department of Education	3140002-24		22,661
Total Rural Education				-	47,488
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)					
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kentucky Department of Education	3230002-23		5,613
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kentucky Department of Education	3230002-24		29,204
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	34,817
Student Support and Academic Enrichment Program					
Student Support and Academic Enrichment Program	84.424	KY Department of Education	3420002-23		16,179
Student Support and Academic Enrichment Program	84.424	KY Department of Education	3420002-24		16,897
Total Student Support and Academic Enrichment Program				-	33,076
Education Stabilization Fund					
Education Stabilization Fund	84.425	KY Department of Education	4300005-21		73,540
Education Stabilization Fund	84.425	KY Department of Education	4980002-21		14,426
Education Stabilization Fund	84.425	KY Department of Education	4300002-21		20,563
Total Education Stabilization Fund				-	108,529
Total Department of Education					
					573,835
Total Other Programs (Treated individually for major program determination)					
					599,439
Total Expenditures of Federal Awards					
				\$ -	\$ 1,739,953

The accompanying notes are an integral part of this schedule

HICKMAN COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2025

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represents 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.

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed. For the year ended June 30, 2025, the District received food commodities totaling \$43,680.

NOTE D – INDIRECT COST RATE

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



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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*

To the Board of Education of the Hickman County School District
Clinton KY

We have audited, in accordance with the auditing standards generally accepted in the United States and the *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 *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements, the financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of Hickman County School District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated January 30, 2026

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Allen + Associates, PLLC

Richmond, KY
January 30, 2026



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

To the Board of Education of the Hickman County School District
Clinton, KY

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hickman County School District's (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 District's major federal programs for the year ended June 30, 2025. District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 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 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 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 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 not 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 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*, the Uniform Guidance and the audit requirements prescribed by the Kentucky State Committee for School District Audits, in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements, 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 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 District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Allen + Associates, PLLC

Richmond, KY
January 30, 2026

HICKMAN COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2025

SUMMARY OF AUDITOR’S RESULTS

What type of report was issued for the financial statements?	Unmodified
Were there significant deficiencies in internal control disclosed? If so, was any significant deficiencies material (GAGAS)?	None Reported N/A
Was any material noncompliance reported (GAGAS)?	No
Were there material weaknesses in internal control disclosed for major programs?	No
Were there any significant deficiencies in internal control disclosed that were not considered to be material weaknesses?	None Reported
What type of report was issued on compliance for major programs?	Unmodified
Did the audit disclose findings as it relates to major programs that Is required to be reported as described in the Uniform Guidance?	No

Major Programs:

Elementary and Secondary School Emergency Relief Fund – COVID 19 [ALN 84.425]
 Child Nutrition Cluster [ALN 10.555, 10.553]

Dollar threshold of Type A and B programs	\$750,000
Low risk auditee?	No

FINDINGS - FINANCIAL STATEMENT AUDIT

No findings at the financial statement level.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
 AUDIT**

No findings at the major federal award programs level.

HICKMAN COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2025

FINDINGS - FINANCIAL STATEMENT AUDIT

No findings at the financial statement level.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

No findings at the major federal award programs level.