JENKINS INDEPENDENT SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES

For the year ended June 30, 2025

Prepared by:

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Jenkins County School District
Jenkins, 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 Jenkins 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 State, 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 July 28, 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
July 28, 2026

As management of the Jenkins Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

The District's total net position at June 30, 2025 was approximately $5.57 million, an increase of approximately $1.71 million from the restated beginning net position.

Governmental activities reported ending net position of approximately $5.53 million. Business-type activities, consisting of School Food Services, reported ending net position of approximately $34,686.

Total governmental fund balances increased by approximately $1.11 million to approximately $2.17 million. The General Fund balance increased by approximately $362,380 to approximately $973,924.

Governmental capital assets, net of accumulated depreciation, totaled approximately $7.78 million. Construction in progress was approximately $2.93 million at year-end.

Outstanding bond obligations and financed purchases declined from approximately $2.47 million to approximately $2.21 million.

Beginning governmental net position was restated downward by approximately $134,673 for adoption of an accounting principle described in Note O.

During FY2025, the District completed planning for a major capital improvement project that will modernize educational facilities and improve student safety. Construction is expected to begin during FY2026.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Jenkins Independent School District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The report also contains required supplementary and other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position reports the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

Changes in net position over time may indicate whether the District's financial condition is improving or deteriorating.

The statement of activities shows how the District's net position changed during the fiscal year. Revenues and expenses are reported when the underlying event occurs, regardless of when the related cash is received or paid. Governmental activities include instruction, support services, operation and maintenance of plant, student transportation, community services, capital activities, and debt-related costs. Business-type activities consist of School Food Services.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to demonstrate compliance with legal and finance-related requirements. Governmental funds emphasize current financial resources, while the proprietary fund reports School Food Services using the economic-resources measurement focus.

Notes to the Financial Statements

The notes provide information essential to a full understanding of the government-wide and fund financial statements, including accounting policies, capital assets, debt, pensions, other postemployment benefits, compensated absences, and other commitments.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's financial position reflects the results of annual operations, capital investments, debt repayment, depreciation, and changes in pension and other postemployment benefit liabilities.

The largest component of net position is the District's net investment in capital assets. These assets are used to provide educational and support services and are not available for future spending. The debt associated with those assets must be repaid from other resources.

Table 1 — Net Position

(millions)	Gov. 2024	Gov. 2025	Food 2024	Food 2025	Total 2024	Total 2025	Change
Current and other assets	2.210	3.561	0.138	0.009	2.348	3.570	52%
Capital assets	7.590	7.778	0.084	0.077	7.674	7.855	2%
Total assets	9.800	11.339	0.222	0.087	10.022	11.426	14%
Deferred outflows	1.370	1.280	0.027	0.024	1.397	1.304	-7%
Total liabilities	5.860	5.891	0.076	0.051	5.936	5.942	0%
Deferred inflows	1.410	1.196	0.019	0.025	1.429	1.221	-15%
Net investment in capital assets	5.380	5.777	0.084	0.077	5.464	5.854	7%
Restricted	0.450	1.189	0.069	0.000	0.519	1.189	129%
Deficit / unrestricted	(1.930)	(1.433)	0.000	(0.043)	(1.930)	(1.476)	24%
Total net position	**3.900**	**5.533**	**0.153**	**0.035**	**4.053**	**5.567**	**37%**

Total assets increased primarily because current and other assets rose by approximately $1.22 million and capital assets increased by approximately $181,000. Deferred inflows declined by approximately $208,000, while total liabilities were relatively stable. The District's total net position increased by approximately $.8 million compared with the prior-year ending balance and by approximately $1.71 million during FY2025 after the beginning balance was restated.

Restricted net position increased primarily in capital-project and other legally restricted resources. The remaining deficit of approximately $1.48 million is largely associated with long-term pension, OPEB, and compensated-absence obligations that are not supported by separately restricted assets.

GOVERNMENTAL ACTIVITIES

Governmental activities increased the District's net position by approximately $1.77 million. Program revenues, consisting primarily of operating and capital grants, funded approximately $5.50 million of governmental expenses. General revenues of approximately $5.69 million, principally state formula grants and local taxes, funded the remaining governmental activities and produced the increase in net position.

Table 2 — Changes in Net Position

(millions)	Gov. 2024	Gov. 2025	Food 2024	Food 2025	Total 2024	Total 2025	Change
Operating grants and contributions	5.158	5.062	.530	.563	5.688	5.625	-1%
Capital grants and contributions	.352	.439	—	—	.352	.439	24%
General revenues	5.199	5.692	—	—	5.199	5.692	9%
Total revenues	10.709	11.193	.534	.564	11.243	11.757	5%
Instruction	5.170	6.070	—	—	5.170	6.070	17%
Plant operation and maintenance	.780	.904	—	—	.780	.904	16%
All other expenses	2.525	2.453	.597	.619	3.122	3.072	-2%
Total expenses	8.475	9.427	.597	.619	9.072	10.046	11%
Change in net position	**2.234**	**1.767**	**(.063)**	**(.056)**	**2.171**	1.711	**-21%**

Total District revenues increased by approximately $0.51 million, or 5%, while total expenses increased by approximately $0.97 million, or 11%. General revenues increased by approximately $0.49 million. Instruction expense increased by approximately $0.90 million, primarily because of additional instructional staffing, employee raises, grant-funded instructional programs, and renewed instructional materials. Plant operation and maintenance expense increased by approximately $0.12 million, primarily because of higher insurance costs, increased staffing costs, and additional facility repairs.

School Food Services reported a decrease in net position of approximately $55,775. Operating and nonoperating program revenues were approximately $563,572, compared with expenses of approximately $619,347.

CAPITAL ASSETS

At June 30, 2025, the District had approximately $7.86 million invested in capital assets, net of accumulated depreciation. Governmental capital assets increased by approximately $187,000. Construction activity during FY2025 primarily related to completing and closing out the District's preschool flood-recovery project. Vehicle and equipment additions included a truck and tractor for District maintenance operations. School Food Services also upgraded cafeteria hot bars. These additions were partially offset by depreciation and reductions in the carrying value of buildings and equipment.

Additional information about capital assets is presented in the capital-assets note to the financial statements.

DEBT

At June 30, 2025, the District had approximately $2.21 million in outstanding bond obligations and financed purchases, a decrease of approximately $254,000 from the prior year. The decrease reflects scheduled principal payments during the fiscal year.

Outstanding debt (millions)	2024	2025
General obligation bonds	$2.214	$2.001
Financed purchases / capital lease	.253	.212
Total obligations	**$2.467**	**$2.213**

Additional information about long-term obligations is presented in the debt note to the financial statements.

THE DISTRICT'S FUNDS

At June 30, 2025, governmental funds reported combined ending fund balances of approximately $2.17 million, an increase of approximately $1.11 million. The General Fund reported an ending fund balance of approximately $973,924, an increase of approximately $362,380. The Special Revenue Fund increased by approximately $7,289, the Construction Fund increased by approximately $573,978, and other governmental funds increased by approximately $162,430.

Governmental fund revenues totaled approximately $11.19 million and governmental fund expenditures totaled approximately $10.09 million before transfers. Transfers between funds totaled approximately $3.77 million in both sources and uses and therefore did not change total governmental fund balance.

Fund activity	Governmental	Proprietary
Local revenue sources	$1,316,642	—
State revenue sources	6,910,635	—
Federal revenue sources	2,966,337	$563,572
Transfers	3,774,119	—
Total revenues and transfers	14,967,733	563,572
Total expenditures and transfers	13,861,657	619,347
Excess / (deficit)	**$1,106,07682,562**	**$(55,775)**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District is required to adopt an annual budget for the General Fund and to maintain a minimum contingency as required by Kentucky law. The original General Fund budget and the final revised budget were balanced at approximately $4.70 million and $4.77 million, respectively. The revised budget included approximately $354,000 in contingency.

Actual General Fund activity exceeded the budgeted totals primarily because approximately $1.32 million of state on-behalf payments were recorded as both revenue and expenditures but were not included in the budget. Significant unbudgeted interfund transfers also occurred during the year. Transfers were primarily associated with construction funding and reimbursements received from the Federal Emergency Management Agency related to flood recovery. These transfers represented movements between District funds and did not increase total District-wide revenue or expenditures. The General Fund ended FY2025 with a positive change in fund balance of approximately $362,380.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's future budgets will continue to be influenced by state funding levels, enrollment and attendance, salary and benefit costs, inflation in utilities, fuel and purchased services, facility needs, and the availability and timing of federal and state grants. Management will continue to balance student programming and academic needs with the District's responsibility to maintain adequate reserves and long-term financial stability.

The District has initiated planning for a comprehensive capital improvement project to modernize educational facilities, improve student safety, and enhance extracurricular opportunities. Proposed improvements include a 250-seat auditorium; electrical upgrades, science-laboratory modernization, and front-entrance improvements at Jenkins Middle High School; track resurfacing; renovation of rear restrooms at Burdine Elementary School; canopies over elementary bus loading and unloading areas; baseball-field lighting; and repairs to the baseball bleachers. The scope and timing of the project will depend on final planning, approvals, and available financing.

Salary schedules, employee-benefit costs, and the ability to recruit and retain qualified personnel;
Inflationary pressure on utilities, transportation, supplies, and contracted services, including another increase in insurance costs;
Completion and funding of facility improvements and construction projects;
Maintaining educational programming and student supports as time-limited grant funding changes; and
Enrollment, attendance, and resulting changes in state formula funding.

During FY2025, Jenkins Independent School District maintained a strong financial position while continuing to invest in student achievement, facility improvements, and long-term financial stability. The District increased its General Fund balance, reduced outstanding debt, completed major flood-recovery activities, and positioned itself for significant capital improvements that will benefit students and the community for years to come.

REQUESTS FOR INFORMATION

Questions concerning this report or requests for additional financial information should be directed to Christopher Bowyer, Director of Finance, or Damian Johnson, Superintendent, at (606) 832-2182 or by mail at Jenkins Independent Board of Education, P.O. Box 74, Jenkins, Kentucky 41537.

Jenkins Independent School District
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,179,085	$ 2,272	$ 1,181,357
Receivables (net)			
Taxes			-
Intergovernmental	2,382,901		2,382,901
Inventories		5,881	5,881
Net OPEB asset		1,480	1,480
Capital assets:			
Land, and construction in progress	2,897,840		2,897,840
Other capital assets, net of depreciation	4,880,049	77,477	4,957,527
Total capital assets	7,777,890	77,477	7,855,367
Total assets	11,339,876	87,110	11,426,986
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	459,722	17,074	476,796
Deferred outflows related to OPEB	732,841	6,480	739,321
Deferred savings from refunding bonds	87,722		87,722
Total deferred outflows of resources	1,280,284	23,555	1,303,839
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	12,620,160	110,665	12,730,825
LIABILITIES			
Accrued interest payable	32,421		32,421
Accounts payable	(4,021)	-	(4,021)
Unearned revenue	1,395,437		1,395,437
Long-term liabilities:			
Due within 1 year:			
Bond obligations	220,000		220,000
Financed purchases	43,068		43,068
Total due within 1 year	263,068	-	263,068
Due in more than 1 year:			
Bond obligations	1,781,302		1,781,302
Financed purchases	168,941		168,941
Sick leave	253,507		253,507
Net pension liability	1,376,522	51,125	1,427,647
Net OPEB liability	624,145		624,145
Total due in more than 1 year	4,204,417	51,125	4,255,542
Total liabilities	5,891,322	51,125	5,942,446
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	245,231	9,108	254,339
Deferred inflows related to OPEB	950,970	15,746	966,716
Total deferred inflows of resources	1,196,200	24,855	1,221,055
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	7,087,522	75,979	7,163,501
NET POSITION			
Net Investment in capital assets	5,776,588	77,477	5,854,065
Restricted for:			
Debt Service	10,284		10,284
Capital projects	1,100,254		1,100,254
Student activities	78,819		78,819
Food Service		(42,792)	(42,792)
Deficit	(1,433,307)		(1,433,307)
Total net position	5,532,638	34,686	5,567,323
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 12,620,160	$ 110,665	$ 12,730,825

See the accompanying notes to the financial statements.

Jenkins Independent School District
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
PRIMARY GOVERNMENT:							
Governmental activities:							
Instruction	$ 6,069,848	$	$ 3,259,678	$	$ (2,810,169)		$ (2,810,169)
Support Services							
Student	224,397		120,508		(103,890)		(103,890)
Instructional Staff	178,724		95,980		(82,744)		(82,744)
District Administration	567,460		304,742		(262,718)		(262,718)
School Administration	329,052		176,710		(152,342)		(152,342)
Business	568,662		305,387		(263,275)		(263,275)
Plant Operation & Maintenance	904,381		485,678		(418,703)		(418,703)
Student Transportation	289,501		155,470		(134,031)		(134,031)
Food Service Operations	802		431		(371)		(371)
Community Services Operations	79,104		42,481		(36,623)		(36,623)
Building Acquistions & Construction			-	438,705	438,705		438,705
Amortization	9,129		4,902		(4,226)		(4,226)
Depreciation	123,805		66,487		(57,318)		(57,318)
Interest on general long-term debt	81,894		43,980		(37,915)		(37,915)
Total governmental activities	9,426,760	-	5,062,434	438,705	(3,925,621)		(3,925,621)
Business-type activities:							
Food service operations	615,866	-	563,572			$ (52,294)	(52,294)
Depreciation	3,481					(3,481)	(3,481)
Total business-type activities	619,347	-	563,572	-	-	(55,775)	(55,775)
Total primary government	$ 10,046,107	$ -	$ 5,626,007	$ 438,705	(3,925,621)	(55,775)	(3,981,396)
General revenues:							
Taxes:							
Property taxes					546,824		546,824
Motor vehicle taxes					114,385		114,385
Uitility taxes					190,327		190,327
Student activities					276,784		276,784
State and formula grants					4,375,833		4,375,833
Other local revenue					114,415		114,415
Investment earnings					73,907		73,907
Total general revenues					5,692,474	-	5,692,474
Change in net position					1,766,854	(55,775)	1,711,079
Net position - beginning					3,900,457	90,460	3,990,917
Adoption of Accounting Principle - See Note O					(134,673)		(134,673)
Rested net postion - beginning					3,765,784	90,460	3,856,245
Net position - ending					$ 5,532,638	$ 34,686	$ 5,567,323

See the accompanying notes to the financial statements.

Jenkins Independent School District
Balance Sheet
Governmental Funds
June 30, 2025

	General	Special Revenue	Construction	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 969,771	$ (980,043)	$ 678,638	$ 510,719	$ 1,179,085
Receivables, net					
Intergovernmental		2,382,901			2,382,901
Total assets	969,771	1,402,858	678,638	510,719	3,561,986
LIABILITIES					
Accounts payable	(4,154)	132	-		(4,021)
Unearned revenue		1,395,437			1,395,437
Total liabilities	(4,154)	1,395,569	-	-	1,391,416
FUND BALANCE					
Restricted		7,289	678,638	510,719	1,196,646
Assigned	49,151				49,151
Unassigned	924,773				924,773
Total fund balance	973,924	7,289	678,638	510,719	2,170,571
TOTAL LIABILITIES AND FUND BALANCE	$ 969,771	$ 1,402,858	$ 678,638	$ 510,719	$ 3,561,986

See the accompanying notes to the financial statements.

Jenkins Independent School District

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

June 30, 2025

Fund balances-total governmental funds	$	2,170,571
Amounts reported for governmental activities in the statement of net position are different because:		
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.		7,777,890
Costs associated with bond issues and refundings are expensed in the fund financial statements because they are a use of current financial resources but are capitalized on the statement of net position using the economic resources focus		87,722
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 payble in the current period and, therefore, are not reported in the funds		
Accrued interest payable		(32,421)
Bonds payable		(2,001,302)
Financed purchases		(212,009)
Sick leave liability		(253,507)
Net pension liability		(1,376,522)
Net OPEB liability		(624,145)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows related to pensions		459,722
Deferred outflows related to OPEB		732,841
Deferred inflows related to OPEB		(950,970)
Deferred inflows related to pensions		(245,231)
Net position of governmental activities	$	5,532,638

See the accompanying notes to the financial statements.

Jenkins Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2025

	General	Special Revenue	Construction	Other Governmental Funds	Total Governmental Funds
REVENUES					
From Local Sources					
Taxes					
Property	$ 546,824	$	$	$ -	$ 546,824
Motor vehicle	114,385				114,385
Utilities	190,327				190,327
Student activities				276,784	276,784
Earnings on investments	73,907			-	73,907
Other local revenue	113,586	829		-	114,415
Intergovernmental - state	4,358,153	2,113,777		438,705	6,910,635
Intergovernmental - federal	17,680	2,948,657			2,966,337
Total revenues	5,414,861	5,063,263	-	715,489	11,193,614
EXPENDITURES					
Instruction	2,965,737	2,980,235		271,729	6,217,701
Support Services					
Student	162,940	62,017			224,957
Instructional Staff	87,435	100,753		-	188,188
District Administration	578,587				578,587
School Administration	341,216				341,216
Business	584,499				584,499
Other Instructional				-	-
Plant Operation & Maintenance	867,364	53,080			920,444
Student Transportation	337,149	25,858			363,006
Food Service Operation	802	-			802
Community Operations		79,104			79,104
Building Improvements			247,267	-	247,267
Debt Service	60,437			281,331	341,767
Total expenditures	5,986,165	3,301,046	247,267	553,059	10,087,538
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(571,304)	1,762,217	(247,267)	162,430	1,106,076
OTHER FINANCING SOURCES (USES)					
Operating transfers in	2,814,112	8,130	821,245	130,632	3,774,119
Operating transfers (out)	(1,880,428)	(1,763,058)		(130,632)	(3,774,119)
Total other financing sources and (uses)	933,684	(1,754,928)	821,245	-	-
NET CHANGE IN FUND BALANCE	362,380	7,289	573,978	162,430	1,106,076
FUND BALANCE-BEGINNING	611,544	-	104,661	348,290	1,064,494
FUND BALANCE-ENDING	$ 973,924	$ 7,289	$ 678,638	$ 510,719	$ 2,170,570

See the accompanying notes to the financial statements.

Jenkins Independent 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	$	1,106,076
Amounts reported for governmental activities in the statement of activities are different because:		
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. District pension contributions less costs of benefits earned net employee contributions		(106,151)
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. District OPEB contributions less costs of benefits earned net employee contributions		346,491
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.		187,635
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.		(7,310)
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.		(1,818)
Bond and finance 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.		256,798
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.		
Accrued interest payable		3,075
Noncurrent sick leave payable		(17,942)
Change in net position of governmental activities	$	1,766,853

See the accompanying notes to the financial statements.

Jenkins Independent School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2025

		School Food Services
ASSETS		
Cash and cash equivalents	$	2,272
Inventories		5,881
Net OPEB asset		1,480
Capital assets:		
Other capital assets, net of depreciation		77,477
Total assets		87,110
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		17,074
Deferred outflows related to OPEB		6,480
		23,555
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		110,665
LIABILITIES		
Accounts payable		-
Net pension liability		51,125
Total liabilities		51,125
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		9,108
Deferred inflows related to OPEB		15,746
Total defered inflows of resources		24,855
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		75,979
NET POSITION		
Net Investment in capital assets		77,477
Deficit		(42,792)
Total net position		34,686
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	110,665

See the accompanying notes to the financial statements.

Jenkins Independent 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	$	-
Total operating revenues		-
OPERATING EXPENSES		
Depreciation		3,481
Food service operations		
Employee services		221,834
Operational expense		394,032
Total operating expenses		619,347
Operating income (loss)		(619,347)
NONOPERATING REVENUES (EXPENSES)		
Intergovermental revenues		563,572
Total nonoperating revenues (expenses)		563,572
CHANGE IN NET POSITION		(55,775)
NET POSITION-BEGINNING		90,460
NET POSITION-ENDING	$	34,686

See the accompanying notes to the financial statements.

Jenkins Independent School District
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2025

		School Food Services
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	-
Payments to suppliers		(222,117)
Payments to employees		(391,169)
Net cash provided (used) by operating activities		(613,285)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants and contributions		563,572
Net cash provided (used) by noncapital financing activities		563,572
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(49,713)
CASH AND CASH EQUIVALENTS-BEGINNING		51,985
CASH AND CASH EQUIVALENTS-ENDING	$	2,272
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	(619,347)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		3,481
Changes in assets and liabilities:		
Payables		(282)
Deferred inflows		(4,647)
Deferred outflows		4,429
OPEB asset		(456)
Pension liability		3,537
Net cash provided (used) by operating activities	$	(613,285)

NONCASH NONCAPITAL FINANCING ACTIVITIES

During the year, the district received $26,558 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 $33,926 provided by state government.

See the accompanying notes to the financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Jenkins Independent 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 Jenkins Independent Board of Education ("District"). The Districtreceives 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 Jenkins Independent 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 Band 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 Jenkins Independent Board of Education Finance Corporationa non-stock, non-profit corporation pursuant to Section 162.385 of the School Bond Act and Chapter273 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 Jenkins Independent 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 fromthe 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.

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 functionor 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 theprogram 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. This is alwaysa major fund of the District.

(B) Special Revenue (Grant) Fund

The Special Revenue (Grant) Fund accounts for proceeds of specific revenue sources (other thanexpendable trust funds or major capital projects) that are legally restricted to disbursements for specifiedpurposes. It includes federal financial programs where unused balances are returned to the grantor at theclose 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. KDErequires this fund to be a major fund.

(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) District Activities Fund

The District Activities Fund accounts for funds raised for student by others.

(E) 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 taxlevy 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. This is a major fund of the District.

Construction Fund

The Construction Fund accounts for proceeds from sale of bonds and other revenues to be used for authorized construction and/or remodeling. This is a major fund of the Disrict.

(F) 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.

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 ofAgriculture (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.

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 theyare incurred. The fair value of donated commodities used during the year is reported in the statementthe revenues, expenses, and changes in net position as an expense with a like amount reported asdonated 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 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:

Description	Estimated Lives
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles years	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 proprietaryfunds 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 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 inthe 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 terminationpayments.

Fund Balances

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

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.

Funds available for any purpose; unassigned amounts are reported only in theGeneral 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 areavailable.

Property Taxes

Property Tax Revenues – Property taxes are levied each September on the assessed value listed as of theprior January 1, for all real and personal property in the county. The billings are considered due uponreceipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax billmailing. 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 operationswere $..807 per $100 valuation of real property, $.852 per $100 valuation for business personal propertyand $.69 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 fixedassets, 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 duebetween 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 thatinitially 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 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 recognizedas 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 ofresources 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 theState of Kentucky ("TRS") and additions to/deductions from fiduciary net position have been determinedon 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 ofresources 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 accordancewith 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 acceptedin the United States of America requires District's management to make estimates and assumptionsthat 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. 100, *Accounting Changes and Error Corrections—an amendment of GASB*

Statement No. 62 effective for the District's year ended June 30, 2025

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

The impact of these pronouncements on the District's financial statement has not been determined

NOTE B – CASH AND CASH EQUIVALENTS AND CERTIFICATES OF DEPOSIT

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 was $1,181,357. The bank balance for thesame time was $1,610,331.

Due to the nature of the accounts and certain limitations imposed on the use of funds, each bank accountwithin 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:

Governmental Activities	June 30, 2024	Additions	Deductions	June 30, 2025
Land	$ 20,131	$ -	$ -	$ 20,131
Land improvements	29,322	-	-	29,322
Buildings	7,561,611	-	-	7,561,611
Technology equipment	733,637	-	-	733,637
Vehicles	831,341	64,173	-	895,514
General equipment	182,355	-	-	182,355
Construction in progress	2,681,878	247,267	-	2,929,145
Total at historical cost	$ 12,040,274	$ 311,440	$ -	$ 12,351,714
Less: Accumulated depreciation				
Land improvements	$ 29,322	$ -	$ -	$ 29,322
Buildings	2,929,877	96,695	-	3,026,572
Technology equipment	566,834	-	-	566,834
Vehicles	764,703	20,066	-	784,768
General equipment	159,285	7,045	-	166,329
Total accumulated depreciation	$ 4,450,020	$ 123,805	$ -	$ 4,573,825
Governmental Activities				
Capital Assets-net	$ 7,590,254	$ 187,635	$ -	$ 7,777,889

Business-Type Activities	June 30, 2024	Additions	Deductions	June 30, 2025
Vehicles	$ 12,808	$ -	$ -	$ 12,808
General equipment	222,402	-	-	222,402
Total at historical cost	$ 235,210	$ -	$ -	$ 235,210
Less: Accumulated depreciation				
Vehicles	-	-	-	-
General equipment	154,252	3,481	-	157,733
Total accumulated depreciation	$ 154,252	$ 3,481	$ -	$ 157,733
Business-Type Activities				
Capital Assets-net	$ 80,958	$ (3,481)	$ -	$ 77,477

Depreciation expense was not allocated to governmental functions.

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 Jenkins Independent 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 Jenkins Independent School District Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any timeby 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:

Bond Issues	Original Amount	Maturity Dates	Interest Rates	Bonds Outstanding June 30, 2024	Additions	Retirements	Bonds Outstanding June 30, 2025
2016R	$ 1,235,000	11/1/2027	1.15 - 3.0%	$ 540,000		$ 135,000	$ 405,000
2019	$ 2,075,000	2/1/2039	3.0 - 3.5%	1,700,000		80,000	1,620,000
				2,240,000	-	215,000	2,025,000
Less:	Discount			(25,516)	-	(1,818)	(23,698)
Totals				$ 2,214,484	$ -	$ 213,182	$ 2,001,302

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 paidby 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:

Fiscal Year Ended at June 30,	Principal Local	Principal KSFCC	Interest Local	Interest KSFCC	Principal Total	Interest Total
2026	$ 119,216	$ 100,784	$ 15,975	$ 45,287	$ 220,000	$ 61,263
2027	116,287	103,713	12,979	42,359	220,000	55,338
2028	123,124	101,876	9,425	39,312	225,000	48,738
2029	17,338	87,662	7,505	36,507	105,000	44,013
2030	19,708	90,292	6,985	33,877	110,000	40,863
2031-2035	100,993	494,007	26,161	126,839	595,000	153,000
2036-2039	93,786	456,214	8,375	40,463	550,000	48,838
	$ 590,452	$ 1,434,548	$ 87,405	$ 364,645	$ 2,025,000	$ 452,050

Financed Purchases

The following is an analysis of the leased property under Financed Purchase by class:

KISTA Issues	Original Amount	Maturity Dates	Interest Rates	KISTA Outstanding June 30, 2024	Additions	Retirements	KISTA Outstanding June 30, 2025
2016	$ 96,479	3/1/2026	2.0 - 2.65%	$ 17,563		$ 8,664	$ 8,899
2019	$ 105,514	3/1/2029	2.0 - 2.65%	51,648		10,995	40,653
2022	$ 238,407	3/1/2032	3.0%	184,596		22,139	162,457
				$ 253,807	$ -	$ 41,798	$ 212,009

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

Fiscal Year Ended at June 30,	Principal Local	Interest Local
2026	$ 43,068	$ 6,327
2027	35,132	5,068
2028	32,903	4,014
2029	33,874	3,027
2030	25,624	2,011
2031-2032	41,408	1,870
	$ 212,009	$ 22,317

Accumulated Sick Leave

Upon retirement from the school system, an employee will receive from the District an amount equalto 30% of the value of accumulated sick leave. The activity during fiscal year 2024 for accumulated sick leave is as follows:

	2024 Outstanding Balance	Additions	Retirements	2025 Outstanding Balance
Sick Leave	$ 235,565	$ 17,942		$ 253,507

Net Pension & OPEB Liability

The changes in net pension and net OPEB liabilities is below:

Description	2024 Outstanding Balance	Additions	Retirements	2025 Outstanding Balance
Net Pension Liability	$ 1,389,495	$ 38,152	$	$ 1,427,647
Net OPEB Liability	768,127		143,982	624,145
Totals	$ 2,157,622	$ 38,152	$ 143,982	$ 2,051,792

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 At
	Unreduced retirement	least 5 years of service and 65 years old Or age 57+ and the sum of service years plus age equal 87 At least
	Reduced retirement	10 years of service and 60 years old
Tier 3	Participation date	After 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 Not
	Reduced retirement	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/.

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, 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.

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:

CERS		
District's proportionate share of CERS net pension liability	$	1,427,647
Commonwealth's proportionate share of the CERS net pension liability associated with the District		-
	$	1,427,647
KTRS		
District's proportionate share of KTRS net pension liability	$	-
Commonwealth's proportionate share of the KTRS net pension liability associated with the District		9,513,515
	$	9,513,515

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 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 0.023872 percent. For the year ended June 30, 2025, the District recognized a pension expense of $111,865 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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 69,101	$
Changes of assumptions		64,502
Net difference between projected and actual earnings on pension plan investments	98,047	189,837
Changes in proportion and differences between District contributions and proportionate share of contributions	143,948	
District contributions subsequent to the measurement date	165,700	
	$ 476,796	$ 254,339

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

	Year Ended June 30,
2025	$ 51,973
2026	60,526
2027	(35,285)
2028	(20,457)
	$ 56,757

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.

	Asset Class	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	13.00%	5.35%
	Total	100.00%	
Expected Real Return			**4.69%**
Long Term Inflation Assumption			**2.50%**
Expected Nominal Return for Portfolio			**7.19%**

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:

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

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 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	$ 1,840,470	$ 1,427,647	1,085,112

	1% Decrease	Current Discount Rate	1% Increase
KTRS	6.10%	7.10%	8.10%
Commonwealth's proportionate share of net pension liability	$ 12,933,727	$ 9,513,515	$ 7,419,903

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 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 in NOTE 6 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 $895,262 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 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 0.0239 percent. The District recognized a negative OPEB expense of $93,155 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,932	$ 325,228
Changes of assumptions	37,455	29,166
Net difference between projected and actual earnings on pension plan investments	36,335	74,056
Changes in proportion and differences between District contributions and proportionate share of contributions	72,482	11,266
District contributions subsequent to the measurement date	11,756	
	$ 180,960	$ 439,716

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:

	Year Ended June 30,
2025	$ (119,070)
2026	(78,724)
2027	(73,624)
2028	905
	$ (270,513)

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.

	Asset Class	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	13.00%	5.35%
	Total	100.00%	
Expected Real Return			**4.69%**
Long Term Inflation Assumption			**2.50%**
Expected Nominal Return for Portfolio			**7.19%**

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:

	1% Decrease	Current Discount Rate	1% Increase
CERS	4.99%	5.99%	6.99%
District's proportionate share of net OPEB liability	$ 55,890	$ (41,335)	$ (123,083)

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	$ (99,448)	$ (41,335)	$ 26,362

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 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

At June 30, 2025, the District reported a liability of $133,000 for its proportionate share of the collective net OPEB liability for medical insurance. 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 0.0298 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	$	664,000
Commonwealth's proportionate share of the KTRS net OPEB liability associated with the District		592,000
	$	1,256,000

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 199,000
Changes of assumptions	169,000	
Net difference between projected and actual earnings on pension plan investments		21,000
Changes in proportion and differences between District contributions and proportionate share of contributions	174,000	307,000
District contributions subsequent to the measurement date	215,361	
	$ 558,361	$ 527,000

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:

	Year Ended June 30,
2026	$ (64,000)
2027	(20,000)
2028	(23,000)
2029	(37,000)
2030	(35,000)
Thereafter	(5,000)
	$ (184,000)

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	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	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 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	35.4%	5.0%
Small Cap U.S. Equity	2.6%	5.5%
Developed 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	1.0%	1.6%
Total	100.0%	

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 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).

- 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	$ 882,000	$ 664,000	$ 483,000

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 rate

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of net OPEB liability	$ 449,000	$ 664,000	$ 932,000

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 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	$	-
Commonwealth's proportionate share of the KTRS net OPEB liability associated with the District		14,000
	$	14,000

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 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:

Asset Class	Target Allocation	Long-Term Expected Real 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 had no 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.

NOTE I – LITIGATION

The District has no pending or threatened litigation involving amounts exceeding $20,000 individuallyor 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:

From Fund	To Fund		Amount	Purpose
General	Special Revenue	$	8,130	Matching
Special	Construction		821,245	Construction
Special Revenue	General		18,301	Indirect Costs
FSPK	Debt Service	$	130,632	Debt Payments

NOTE N – ON-BEHALF PAYMENTS

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

Plan/Description		Amount
Kentucky Teachers Retirement System (GASB Schedule A)	$	618,348
Health and Life Insurance		826,244
Administrative Fee		7,432
HRA/Dental/Vision		25,200
Federal Reimbursement		(149,185)
Technology		28,677
SFCC Debt Service Payments		146,072
Total	$	1,502,788

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

NOTE O– ADOPTION OF ACCOUNTING PRINCIPLE

Due to the adoption of GASB 101, beginning net position was restated as follows:

Net Position June 30, 2024	$	3,900,457
Adoption of Accounting Principle		(134,673)
Restated Net Position June 30, 2024	$	3,765,784

NOTE P– SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 28, 2026 the date the financial statements were available to be issued.

Jenkins Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund

Year Ended June 30, 2025

	Budgeted Amounts						Variance with Final Budget Favorable (Unfavorable)
		Original		Final		Actual	
REVENUES							
From Local Sources							
Taxes							
Property	$	470,700	$	470,700	$	546,824	$ 76,124
Motor vehicle		100,000		100,000		114,385	14,385
Utilities		202,449		202,449		190,327	(12,122)
Earnings on investments		75,000		75,000		73,907	(1,093)
Other local revenue		12,500		12,500		113,586	101,086
Intergovernmental - state		2,898,178		2,898,178	*	3,035,363	137,185
Intergovernmental - federal		8,000		8,000		17,680	9,680
Total revenues		3,766,827		3,766,827		4,092,072	325,245
EXPENDITURES							
Instruction		2,068,336		2,068,336	*	2,054,404	13,933
Support Services							
Student		153,066		153,066		162,940	(9,873)
Instructional Staff		108,476		108,476		87,435	21,041
District Administration		442,802		442,802	*	466,797	(23,995)
School Administration		230,088		230,088	*	242,825	(12,737)
Business		331,695		331,695	*	453,813	(122,118)
Plant Operation & Maintenance		772,643		772,643	*	825,000	(52,357)
Student Transportation		285,393		285,393	*	309,726	(24,333)
Debt Service						60,437	(60,437)
Total expenditures		4,392,500		4,392,500		4,663,376	(270,876)
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES		(625,673)		(625,673)		(571,304)	54,369
OTHER FINANCING SOURCES (USES)							
Operating transfers in						2,814,112	2,814,112
Operating transfers (out)		(20,000)		(20,000)		(1,880,428)	(1,860,428)
Total other financing sources and (uses)		(20,000)		(20,000)		933,684	953,684
NET CHANGE IN FUND BALANCE		(645,673)		(645,673)		362,380	1,008,053
FUND BALANCE-BEGINNING		1,000,000		1,000,000		611,544	(388,456)
FUND BALANCE-ENDING	$	354,327	$	354,327	$	973,924	$ 619,596

$1,322,790 was removed from "Actual" expenditures and revenues. These amounts were for On-Behalf amounts that were not budgeted.

See the accompanying notes to the financial statements.

Jenkins Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Special Revenue Fund

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	**Final**	**Actual**	
REVENUES				
From Local Sources				
Other local revenue	$ 96,642	$ 132,412	$ 829	$ (131,583)
Earnings on investments			-	-
Intergovernmental - state	283,335	3,118,693	2,113,777	(1,004,916)
Intergovernmental - federal	1,033,774	1,072,754	2,948,657	1,875,903
Total revenues	1,413,751	4,323,859	5,063,263	739,404
EXPENDITURES				
Instruction	1,160,909	1,215,050	2,980,235	(1,765,185)
Support Services				
Student	62,237	70,221	62,017	8,204
Instructional Staff	97,239	97,239	100,753	(3,514)
Plant Operation & Maintenance	24,540	66,036	53,080	12,956
Student Transportation	12,175	13,881	25,858	(11,977)
Food Service Operations			-	-
Community Services Operations	76,650	76,650	79,104	(2,454)
Total expenditures	1,433,751	1,539,076	3,301,046	(1,761,970)
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	(20,000)	2,784,783	1,762,217	(1,022,566)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	20,000	20,000	8,130	(11,870)
Operating transfers (out)		(2,795,811)	(1,763,058)	1,032,753
Total other financing sources and (uses)	20,000	(2,775,811)	(1,754,928)	1,020,883
NET CHANGE IN FUND BALANCE	-	8,972	7,289	(1,683)
FUND BALANCE-BEGINNING	-	-	-	-
FUND BALANCE-ENDING	$ -	$ 8,972	$ 7,289	$ (1,683)

See the accompanying notes to the financial statements.

JENKINS INDEPENDENT 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)	**Reporting Fiscal Year** (Measurement Date) 2016 (2015)
COUNTY EMPLOYEE'S RETIREMENT SYSTEM:										
Districts' proportion of the net pension liability (asset)	0.02387%	0.21655%	0.01898%	0.01716%	0.02000%	0.02000%	0.02000%	0.02000%	0.03000%	0.03000%
District's proportionate share of the net pension liability (asset)	$ 1,427,647	$ 1,389,495	$ 1,371,705	$ 1,094,276	$ 1,523,936	$ 1,389,237	$ 1,303,264	$ 1,368,152	$ 1,237,588	$ 1,075,449
State's proportionate share of the net pension liability (asset) associated with the District	-	-	-	-	-					
Total	$ 1,427,647	$ 1,389,495	$ 1,371,705	$ 1,094,276	$ 1,523,936	$ 1,389,237	$ 1,303,264	$ 1,368,152	$ 1,237,588	$ 1,075,449
District's covered-employee payroll	$ 749,456	$ 1,400,412	$ 629,639	$ 524,703	$ 438,387	$ 509,832	$ 499,479	$ 530,338	$ 569,108	$ 599,615
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	190.49%	99.22%	217.86%	208.55%	347.62%	272.49%	260.92%	257.98%	217.46%	179.36%
Plan fiduciary net position as a percentage of the total pension liability (asset)	61.61%	57.68%	52.00%	57.33%	47.81%	50.54%	53.40%	53.30%	59.00%	59.97%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:										
Districts' proportion of the net pension liability (asset)	0.058%	0.000%	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	9,513,515	10,614,534	10,088,482	7,958,810	9,307,742	8,870,790	8,527,302	18,675,837	22,233,051	18,383,073
Total	$ 9,513,515	$ 10,614,534	$ 10,088,482	$ 7,958,810	$ 9,307,742	$ 8,870,790	$ 8,527,302	$ 18,675,837	$ 22,233,051	$ 18,383,073
District's covered-employee payroll	$ 2,299,499	$ 3,153,172	$ 3,031,280	$ 2,638,997	$ 2,339,008	$ 2,414,653	$ 2,379,473	$ 2,460,587	N/A	N/A
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%	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%	58.80%	59.30%	39.80%	35.22%	42.29%

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.

JENKINS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS

CERS and TRS

For the year ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
COUNTY EMPLOYEE'S RETIREMENT SYSTEM:										
Contractually required contribution	$ 165,700	$ 147,093	$ 119,527	$ 141,408	$ 84,609	$ 98,398	$ 81,015	$ 76,793	$ 106,309	$ 102,295
Contributions in relation to the contractually required contribution	165,700	147,093	119,527	141,408	84,609	98,398	81,015	76,793	$ 106,309	$ 102,295
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 749,456	$ 1,400,412	$ 629,639	$ 524,703	$ 438,387	$ 509,832	$ 499,479	$ 530,338	$ 569,108	$ 599,615
District's proportionate share of the net pension liability as a percentage of it's covered-employee payrol	190.49%	99.22%	217.86%	208.55%	347.62%	272.49%	260.92%	257.98%	217.46%	179.36%
KENTUCKY TEACHER'S RETIREMENT SYSTEM:										
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 2,299,499	$ 3,153,172	$ 3,031,280	$ 2,638,997	$ 2,339,008	$ 2,414,653	$ 2,379,473	$ 2,460,587	N/A	N/A
District's proportionate share of the net pension liability as a percentage of it's covered-employee payrol	0.00%	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.

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

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%.

JENKINS INDEPENDENT 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	**Reporting Fiscal Year** (Measurement Date) 2024	**Reporting Fiscal Year** (Measurement Date) 2023	**Reporting Fiscal Year** (Measurement Date) 2022	**Reporting Fiscal Year** (Measurement Date) 2021	**Reporting Fiscal Year** (Measurement Date) 2020	**Reporting Fiscal Year** (Measurement Date) 2019	**Reporting Fiscal Year** (Measurement Date) 2018
MEDICAL INSURANCE PLAN								
Districts' proportion of the net OPEB liability (asset)	0.02980%	0.03273%	0.00000%	0.03274%	0.04000%	0.03000%	0.03000%	0.04000%
District's proportionate share of the net OPEB liability (asset)	$ 664,000	$ 797,000	$ 1,068,000	$ 703,000	$ 890,000	$ 1,015,000	$ 1,165,000	$ 1,300,000
State's proportionate share of the collective net OPEB liability (asset) associated with the District	592,000	672,000	351,000	571,000	713,000	820,000	1,004,000	1,062,000
Total	$ 1,256,000	$ 1,469,000	$ 1,419,000	$ 1,274,000	$ 1,603,000	$ 1,835,000	$ 2,169,000	$ 2,362,000
District's covered-employee payroll	$ 2,299,499	$ 3,153,172	$ 3,031,280	$ 2,638,997	$ 2,339,008	$ 2,414,653	$ 2,379,473	$ 2,460,587
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	28.88%	25.28%	35.23%	26.64%	38.05%	42.04%	48.96%	52.83%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	59.81%	52.97%	47.75%	51.74%	39.10%	32.60%	25.50%	21.20%
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%	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	14,000	17,000	17,000	8,000	22,000	19,000	17,000	14,000
Total	$ 14,000	$ 17,000	$ 17,000	$ 8,000	$ 22,000	$ 19,000	$ 17,000	$ 14,000
District's covered-employee payroll	$ 2,299,499	$ 3,153,172	$ 3,031,280	$ 2,638,997	$ 2,339,008	$ 2,414,653	$ 2,379,473	$ 2,460,587
District's proportionate share of the net OPEB liability (asseet) as a percentage of its covered-employee payroll	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 OPEB liability (asset)	80.56%	76.91%	73.97%	89.15%	71.60%	73.40%	75.00%	80.00%

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

See the accompanying notes to the required supplementary information.

JENKINS INDEPENDENT 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	2018
MEDICAL INSURANCE PLAN								
Contractually required contribution	$ 61,667	$ 114,280	$ 75,835	$ 56,920	$ 70,122	$ 72,440	$ 71,384	$ 73,818
Contributions in relation to the contractually required contribution	61,667	114,280	75,835	56,920	70,122	72,440	71,384	73,818
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 2,299,499	$ 3,153,172	$ 3,031,280	$ 2,638,997	$ 2,339,008	$ 2,414,653	$ 2,379,473	$ 2,460,587
District's proportionate share as a percentage of it's covered-employee payroll	28.88%	25.28%	35.23%	26.64%	38.05%	42.04%	48.96%	52.83%
LIFE INSURANCE PLAN								
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 2,299,499	$ 3,153,172	$ 3,031,280	$ 2,638,997	$ 2,339,008	$ 2,414,653	$ 2,379,473	$ 2,460,587
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%	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.

JENKINS INDEPENDENT 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	**Reporting Fiscal Year** (Measurement Date) 2024	**Reporting Fiscal Year** (Measurement Date) 2023	**Reporting Fiscal Year** (Measurement Date) 2022	**Reporting Fiscal Year** (Measurement Date) 2021	**Reporting Fiscal Year** (Measurement Date) 2020	**Reporting Fiscal Year** (Measurement Date) 2019	**Reporting Fiscal Year** (Measurement Date) 2018
HEALTH INSURANCE PLAN								
Districts' proportion of the net OPEB liability (asset)	0.02390%	0.02165%	0.01897%	0.01716%	0.02000%	0.02000%	0.02000%	0.02000%
District's proportionate share of the net OPEB liability (asset)	$ (41,335)	$ (29,897)	$ 374,415	$ 328,500	$ 479,631	$ 332,152	$ 379,917	$ 469,897
State's proportionate share of the collective net OPEB liability (asset) associated with the District	-	-	-	-	-	-	-	-
Total	$ (41,335)	$ (29,897)	$ 374,415	$ 328,500	$ 479,631	$ 332,152	$ 379,917	$ 469,897
District's covered-employee payroll	$ 749,456	$ 1,400,412	$ 629,639	$ 524,703	$ 438,387	$ 509,832	$ 499,479	$ 530,338
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-5.52%	-2.13%	59.47%	62.61%	109.41%	65.15%	76.06%	88.60%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	-5.31%	-4.63%	60.94%	73.08%	51.67%	60.44%	57.62%	13.00%

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.

JENKINS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - HEALTH INSURANCE PLAN

COUNTY EMPLOYEE RETIREMENT SYSTEM

For the year ended June 30, 2025

MEDICAL INSURANCE PLAN	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 40,625	$ 7,674	$ 21,880	$ 17,540	$ 20,867	$ 24,268	$ 26,273	$ 24,926
Contributions in relation to the contractually required contribution	40,625	7,674	21,880	17,540	20,867	24,268	26,273	24,926
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 749,456	$ 1,400,412	$ 629,639	$ 524,703	$ 438,387	$ 509,832	$ 499,479	$ 530,338
District's proportionate share as a percentage of it's covered-employee payroll	5.42%	0.55%	59.47%	62.61%	109.41%	65.15%	76.06%	88.60%

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.

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

Jenkins Independent School District

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2025

	Capital Outlay	Building	District Activity	Debt Service	School Activity	Total
Assets						
Cash and Cash Equivalents	$ 135,512	$ 286,104	$ 1,680	$ 10,284	$ 77,139	$ 510,719
Total Assets	135,512	286,104	1,680	10,284	77,139	510,719
Fund Balance						
Restricted	135,512	286,104	1,680	10,284	77,139	510,719
Total Fund Balance	$ 135,512	$ 286,104	$ 1,680	$ 10,284	$ 77,139	$ 510,719

See the accompanying notes to the financial statements.

Jenkins Independent School District

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

Year ended June 30, 2025

	Capital Outlay	Building	District Activity	Debt Service	School Activity	Total
Revenues						
From Local Sources						
Student Activities	$	$	$	$	$ 276,784	$ 276,784
Property Taxes						-
Earnings on Investments						-
Other Local Revenue						-
Intergovernmental - State	40,183	252,450		146,072		438,705
Total Revenues	40,183	252,450	-	146,072	276,784	715,489
Expenditures						
Instruction					271,729	271,729
Instructional Staff Support Services						-
Other Instructional						-
Building Improvements						-
Debt Service		4,627		276,704		281,331
Total Expenditures	-	4,627	-	276,704	271,729	553,059
Excess (Deficit) of Revenues Over Expenditures	40,183	247,823	-	(130,632)	5,056	162,430
Other Financing Sources (Uses)						
Transfers In				130,632		130,632
Transfers (Out)	-	(130,632)	-			(130,632)
Total Other Financing Sources (Uses)	-	(130,632)	-	130,632	-	-
Net Change in Fund Balances	40,183	117,191	-	-	5,056	162,430
Fund Balance Beginning	95,329	168,913	1,680	10,284	72,084	348,290
Fund Balance Ending	$ 135,512	$ 286,104	$ 1,680	$ 10,284	$ 77,139	$ 510,719

See the accompanying notes to the financial statements.

Jenkins Independent School District
Combining Balance Sheet - School Activity Fund
June 30, 2025

SCHOOL ACTIVITY FUND

	JENKINS IND. SCHOOLS
ASSETS	
Cash and cash equivalents	$ 77,139
Total Assets	77,139
FUND BALANCE	
School activities	$ 77,139

See the accompanying notes to the financial statements.

Jenkins Independent School District

Combining Statement of Revenues, Expenditures and Changes In Fund Balance
- School Activity Fund

Year ended June 30, 2025

	SCHOOL ACTIVITY FUND	
		JENKINS IND. SCHOOLS
Revenues		
Student/Trust revenues	$	276,784
Expenses		
Student/Trust activities		271,729
Excess (Deficit) of Revenues Over Expenses		5,056
Fund Balance Beginning		72,084
Fund Balance Ending	$	77,139

See the accompanying notes to the financial statements.

Jenkins Independent School District

Statement of Revenues, Expenditures and Changes in Fund Balance - Jenkins Independent Schools

Year ended June 30, 2025

	FUND BALANCE BEGINNING	REVENUES	EXPENSES	TRANSFERS	FUND BALANCE ENDING
GENERAL FUND	$ 4,109	$ 5,286	$ 3,398	$ (5,134)	$ 862
STAFF ACTIVITIES	2,202	174	100	(610)	1,667
STLP	278	-	-	-	278
ROBOTICS	-	288	-	-	288
JMHPANTRY	-	500	-		500
KIDS INC.	6,603	6,790	9,287		4,106
Bass Fishing	1,362	200	839	-	723
Class of2028	1,493	-	-	-	1,493
Staff Sunshine Club	40	-	-	-	40
CAVS STORE BURDINE	588	-	163	-	425
MENTOR CLUB	51	-	-	-	51
ATHLETICS	-	500	100	(360)	40
JMHS STORE	1,865	16,235	11,837	(5,865)	398
SPIR1T CLUB	304	-	-	-	304
MS ACADEMIC TEAM	22	100	-	-	122
ESPORTS	349	-	350	1	-
BAND	517	-	-	-	517
HSBASEBALL EQU	-	500	-	-	500
CHANGE	-	-	800	800	-
FOOTBALL	854	9,148	9,800	(202)	-
GIRLS BASKETBALL	3	11,638	7,582	(2,495)	1,564
BOYS BASKETBALL	6,601	41,559	46,490	(1,670)	-
GOLF	134	902	490	360	906
CROSS COUNTRY	508	5,656	5,384	(1)	779
BASEBALL	2,857	6,499	4,613	(1,483)	3,261
SOFTBALL	5,511	13,152	4,180	(2,423)	12,061
TRACK	-	750	575		175
VOLLEYBALL	2,609	8,787	3,754	(2,299)	5,343
CHEERLEADING	559	742	1,301	-	0
PEE WEE SPORTS	1,599	2,041	2,650	-	990
ARCHERY	2,149	8,418	9,383	-	1,185
MS CHEERLEADING	480	4,122	120	-	-
MS FOOTBALL	23	5,666	3,124	(2,565)	4,482
MS GIRLS BASKETBALL	1,353	6,176	2,751	(1,215)	3,563
MS BOYS BASKETBALL	529	42,349	37,015	(5,863)	-
MS BASEBALL	717	8,629	4,357	(1,647)	3,342
ANNUAL	1,660	375	1,613	-	423
FRYSC	1,996	-	650	(32)	1,314
LIBRARY	340	-	-	-	340
Dance CAYS	-	5,275	3,975	(700)	600
PRESCHOOL	1	-	-	-	1
MS SOFTBALL	2,408	336	-	-	2,744
ELE. LIBRARY	84	5,206	5,249	-	42
Arbiter pay	-	(28,099)	-	28,099	-
BURDINE CAMPUS GEN	936	16,734	15,753		1,918
BAND UNIFORMS	300	-	-	-	300
BURDINE STAFF	1,252	208	1,294	-	165
TRANSCRIPTS	60	-	-	-	60
DRAMA	1,423	1,505	1,425	-	1,503
BURDINE PANTRY	-	500	-	-	500
CLASS OF 2027	1,586	-	-	-	1,586
59TH dISTRICT	25	733	-	-	25
TOURNAMENT		9,366	-	-	733
Class of2026	-	-	8,833	-	533
CLASS OF 2029	-	-	-	-	32
PSAT 10 test fees	32	2,383	-	-	448
COMMUNITY BASED INST.	448	-	1,710	-	1,536
PEE WEE CHEER	863	2,668	-	-	53
Community Challenge Grant	53	7,140	538	(468)	4,699
MS VOLLEYBALL	3,036	4,899	5,651	-	1,538
ELE. PTO	49	546	8,516	-	2,195
Family To Family	5,812	1,326	415	-	1,912
HSFMD	1,781	-	300	-	1,026
WEIGHT LIFTING	-	2,267	-	-	30
Student council	30	24,372	1,470	32	910
BETA CLUB	81	11,604	30,950	5,020	-
CLASS OF 2025	1,558	630	12,323	719	-
PEEWEEFB	-	-	621	-	9
TOTALS	$ 72,084	$ 276,784	$ 271,729	$ 0	$ 77,139

See the accompanying notes to the financial statements.

JENKINS INDEPENDENT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
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	$ -	$ 20,914
School Breakfast Program	10.553	KY Department of Education	7760005-25		70,040
Total School Breakfast Program				-	90,954
National School Lunch Program					
National School Lunch Program	10.555	KY Department of Education	7750002-24		51,152
National School Lunch Program	10.555	KY Department of Education	7750002-25		160,494
Total National School Lunch Program				-	211,646
Summer Food Service Program for Children					
Summer Food Service Program for Children	10.559	KY Department of Education	7740023-24		145,433
Summer Food Service Program for Children	10.559	KY Department of Education	7740023-25		16,355
Summer Food Service Program for Children	10.559	KY Department of Education	7690024-24		14,874
Summer Food Service Program for Children	10.559	KY Department of Education	7690024-25		1,678
Total Summer Food Service Program for Children				-	178,340
Fresh Fruit and Vegetable Program					
Fresh Fruit and Vegetable Program	10.582	KY Department of Education	7720012-24		1,457
Fresh Fruit and Vegetable Program	10.582	KY Department of Education	7720012-25		13,672
Total Fresh Fruit and Vegetable Program				-	15,129
Total United States Department of Agriculture					496,069
Total Child Nutrition Cluster-Cluster					496,069
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		45,895
Special Education Grants to States	84.027	KY Department of Education	3810002-24		66,263
Total Special Education Grants to States				-	112,158
Special Education Preschool Grants					
Special Education Preschool Grants	84.173	KY Department of Education	3800002-23		730
Special Education Preschool Grants	84.173	KY Department of Education	3800002-24		7,284
Total Special Education Preschool Grants				-	8,014
Total Department of Education					120,172
Total Special Education Cluster (IDEA)-Cluster					120,172
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		1,872
Total State Administrative Expenses for Child Nutrition				-	1,872
Donated Food Commodities					26,558
					26,558
Total United States Department of Agriculture					28,430
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		36,024
Title I Grants to Local Educational Agencies	84.010	KY Department of Education	3100002-24		286,730
Title I Grants to Local Educational Agencies	84.010	KY Department of Education	3100002-22		42,555
Title I Grants to Local Educational Agencies	84.010	KY Department of Education	3100002-23		116,722
Total Title I Grants to Local Educational Agencies				-	482,031
Gaining Early Awareness and Readiness for Undergraduate Programs					
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Partners for Education	379*		1,187,130
Total Gaining Early Awareness and Readiness for Undergraduate Programs				-	1,187,130
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)					
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	KY Department of Education	3230002-24		33,857
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	33,857
Student Support and Academic Enrichment Program					
Student Support and Academic Enrichment Program	84.424	KY Department of Education	3420002-23		4,266
Student Support and Academic Enrichment Program	84.424	KY Department of Education	3420002-24		20,734
Total Student Support and Academic Enrichment Program				-	25,000
Education Stabilization Fund					
Education Stabilization Fund	84.425	KY Department of Education	4300002-20		945
Education Stabilization Fund	84.425	KY Department of Education	4300002-20		239,237
Education Stabilization Fund	84.425	KY Department of Education	4300002-20		74,249
Education Stabilization Fund	84.425	KY Department of Education	4300002-20		8,917
Education Stabilization Fund	84.425	KY Department of Education	3420002-20		137
Total Education Stabilization Fund				-	323,485
Total Department of Education					2,051,503
Total Other Programs (Treated individually for major program determination)					$ 2,079,933
Total Expenditures of Federal Awards				$ -	$ 2,726,174

The accompanying notes are an integral part of this schedule

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Jenkins Independent 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 Jenkins Independent 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 $26,558.

NOTE D – INDIRECT COST RATE

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

ALLEN & ASSOCIATES, PLLC
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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 Jenkins Independent School District
Jenkins, KY

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits, in the *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 Jenkins Independent School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Jenkins Independent School District's basic financial statements, and have issued our report thereon dated July 28, 2026.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items [2025-001, 2025-002] that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jenkins Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Jenkins Independent School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Jenkins Independent School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Jenkins Independent School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
July 28, 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 Jenkins Independent School District
Jenkins, KY

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jenkins Independent 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
July 28, 2026

JENKINS INDEPENDENT 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?	Yes
If so, was any significant deficiencies material (GAGAS)?	Yes
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:
Gaining Early Awareness and Readiness for Undergraduate Programs [ALN 84.334]

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

FINDINGS - FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

2025-001

Statement of the Condition: During the course of our audit we became aware that significant adjustments exceeding materiality were necessary to properly properly the financial statements.

Criteria for Condition: Amount of required financial statement adjustments.

Cause of the Condition: Proper internal controls were not in place to properly present the financial statements in a material respect.

Effect of the Condition: The District did not present accurate financial statements throughout the year before the audit adjustments were made.

2025-002

Statement of the Condition: During the course of our audit we became aware that bank reconciliations were not being performed.

Criteria for Condition: Bank statements should be reconciled as soon after the end of the month as possible.

Cause of the Condition: Proper internal controls were not in place.

Effect of the Condition: The District's reported book balances for cash were improperly stated and their financial accounts were more susceptible to misappropriation.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings at the major federal award programs level.

JENKINS INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2025

FINDINGS - FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

2024-001

Statement of the Condition: During the course of our audit we became aware that quarterly 941s weren't filed timely

Subsequent Review: This finding was not repeated.

2024-002

Statement of the Condition: During the course of our audit we became aware that bank reconciliations were not being performed timely.

Subsequent Review: This finding was repeated as finding 2025-002.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no prior year findings.

JENKINS INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
Year ended June 30, 2025

Date: July 28, 2026

Oversight Agency: Kentucky Department of Education

The *Jenkins Independent School District* respectfully submits the following corrective action plan for the year ended June 30, 2025.

Name and Address of Independent Public Accounting Firm: Allen & Associates, PLLC, Richmond, Kentucky 40475.

Audit Period: For the year ended June 30, 2025.

The findings from the year ended June 30, 2025 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2025-001
Recommendation for Correction: We recommend that the finance officer receive training to ensure that the financial statements are accurately presented.

Management Response to the Recommendation: Management concurs with this finding. During the audit process, several year end accounting, classification, pension/OPEB, and financial reporting adjustments were identified and recorded to ensure the financial statements were presented in accordance with applicable accounting standards. The cumulative effect of these adjustments exceeded the auditor's materiality

Implementation: Immediate.

2025-002
Recommendation for Correction: We recommend that bank reconciliations are performed by the 15th of each month.

Management Response to the Recommendation: Management continues to actively work toward resolving this issue. The district has engaged outside accounting assistance to help complete and correct outstanding bank reconciliations and has sought additional support and technical assistance from multiple sources. Due to staffing limitations and the complexity of the reconciliation process, the issue has not yet been fully resolved. Management remains committed to completing all outstanding reconciliations, strengthening internal controls, and implementing monthly reconciliation and review procedures to ensure timely and accurate reconciliations going forward.

If the Kentucky Department of Education has questions regarding this plan, please call me at 606-832-2180

Sincerely yours,

Damian Johnson

Mr. Damian Johnson, Superintendent