

# **Grant County School District**

**Financial Statements  
With Supplementary Information  
Year Ended June 30, 2022  
With Independent Auditors' Report**

**GRANT COUNTY SCHOOL DISTRICT**

**Year Ended June 30, 2022**

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**Year Ended June 30, 2022**

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## **Independent Auditors' Report**

To the Members of the Board of Education  
Grant County School District  
Williamstown, Kentucky

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grant County School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Grant County School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grant County School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Grant County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **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 Grant County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Independent Auditors' Report  
(Continued)**

**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 Grant County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grant County School District's ability to continue as a going concern for a reasonable period of time.

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

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the information on pages 4-9, 56-59, and 64-73 as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

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### Independent Auditors' Report (Continued)

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant County School District's basic financial statements. The information on pages 54-55, 60, 61-63 and 74-75 as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The information on pages 54-55, 60, 61-63 and 74-75 as listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information on pages 54-55, 60, 61-63 and 74-75 as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the Grant County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grant County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grant County School District's internal control over financial reporting and compliance.

#### **Change In Accounting Principle**

As discussed in Note 19 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, effective as of July 1, 2021. Our opinion is not modified with respect to this matter.



Crestview Hills, Kentucky  
December 15, 2022

## GRANT COUNTY SCHOOL DISTRICT

### Management's Discussion and Analysis (MD&A) Year Ended June 30, 2022

As management of Grant County Board of Education (Board), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

#### FINANCIAL HIGHLIGHTS

- The beginning cash balance for the District was \$7,610,827.
- The General Fund had \$32,467,832 in revenue, excluding interfund transfers. General Fund revenues primarily consisted of the state program (SEEK), property, utilities and motor vehicle taxes. Excluding interfund transfers, there was \$31,810,659 in General Fund expenditures.
- All staff received a step increase in salary for an additional year's experience for the 2021-2022 school year.
- The District per pupil SEEK allocation remained constant at \$4,000 for the 2021-2022 school year.
- Employees received that provided documentation of COVID vaccination received a \$100 stipend. Attendance stipends were awarded to employees that had a 97% attendance for either or both semesters and a 98% stipend they. Each semester with 97% attendance was paid at 97% and 98% for the year attendance was paid at \$1000.
- Our primary financial concern continues to be state funding which has not kept up with the increases in operating expenses due to inflation, increased salaries - some of which are a direct result of mandates by the state, and an increasing portion of the retirement shortfall that we have been asked to fund. After many years of not making the necessary contributions to fully fund the Kentucky Teachers' Retirement System (TRS), the legislature passed along a portion of the funding shortfall to employees and a larger portion to school districts. As a result, our district has paid hundreds of thousands of dollars into the retirement system over the past five years and will pay millions of dollars in the future in an effort to help stabilize the fund. For the first time this year we are also being required to record the portion of the unfunded state liability in our financial statements attributable to our employees, as determined by TRS. While it remains to be seen if districts, including our own, will end up shouldering more this deficit over the years to come, if the state does not start responsibly funding the system it can be safely assumed that we will. This will continue to shift more of the responsibility for funding our education system onto the backs of school districts and subsequently local taxpayers. The continual erosion of state funding makes it increasingly difficult to maintain the high standard of education and programming that our students deserve without increasing taxes locally. In this climate of shrinking state support the Grant County School District will maintain fiscally responsible policies in order to continue providing quality academic, extra-curricular and community service programs to all of its students.



## GRANT COUNTY SCHOOL DISTRICT

### Management's Discussion and Analysis (MD&A) Year Ended June 30, 2022 (Continued)

#### OVERVIEW OF FINANCIAL STATEMENTS

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

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The district-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

The district-wide financial statements can be found on pages 10 and 11 of this report.

***Fund financial statements.*** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The only proprietary funds are our vending and food service operations and day care operations. All other activities of the District are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 12 through 20 of this report.

***Notes to the financial statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 52 of this report.

**GRANT COUNTY SCHOOL DISTRICT**

**Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2022  
(Continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$443,639 as of June 30, 2022.

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

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

**Net Position for the years ending June 30, 2022 and 2021**

The following is a summary of net position for the fiscal years ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Current assets	\$ 9,311,953	\$ 9,288,655
Noncurrent assets	50,012,556	51,848,553
Total assets	<u>59,324,509</u>	<u>61,137,208</u>
 Total deferred outflows	 <u>6,315,851</u>	 <u>6,601,964</u>
 Current liabilities	 4,128,826	 4,438,260
Noncurrent liabilities	52,665,616	61,640,869
Total liabilities	<u>56,794,442</u>	<u>66,079,129</u>
 Total deferred inflows	 <u>9,289,557</u>	 <u>4,735,425</u>
 Net position		
Investment in capital assets (net of debt)	16,250,515	15,296,321
Restricted	(20,088,185)	(20,325,200)
Unrestricted	3,394,031	1,953,497
Total net position	<u>\$ (443,639)</u>	<u>\$ (3,075,382)</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2022  
(Continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)**

**Comments on General Fund Budget Comparisons**

- The District's total revenues in the General Fund for the fiscal year ended June 30, 2022, were \$32,467,832 net of inter-fund transfers of \$798,776.
- General Fund budgeted revenue compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$9,104,958 more than budget or approximately 42.35% of General Fund Budget. The majority of this variance is the result of the District recording "on-behalf" payments made by the state.
- General Fund actual expenditures were \$31,810,659 net of inter-fund transfers of \$70,471.
- General Fund actual expenditures were more than budgeted expenditures by \$6,816,909.

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 112,277	\$ 46,764
Operating grants	10,911,294	8,652,992
Capital grants	<u>1,477,316</u>	<u>1,046,442</u>
Total grant revenues	<u>12,500,887</u>	<u>9,746,198</u>
General Revenues		
Taxes	9,873,109	9,325,543
Grants and entitlements	12,470,926	13,205,055
Earnings on investments	27,351	217,035
Miscellaneous	<u>(114,258)</u>	<u>753,978</u>
Total general revenues	<u>22,257,128</u>	<u>23,501,611</u>
Total revenues	<u>34,758,015</u>	<u>33,247,809</u>
<b>Expenses</b>		
Instructional	9,771,135	13,350,081
Student support services	2,597,471	2,184,481
Instructional support	2,818,900	2,832,440
District administration	743,267	833,154
School administration	2,420,740	2,270,024
Business support	577,970	573,601
Plant operations and maintenance	6,363,617	3,949,490
Student transportation	2,436,932	2,060,593
Other instructional	-	-
Food service operations	420,982	418,284
Facilities acquisition and construction	19,457	4,151,918
Community service operations	56,288	77,655
Debt services	1,104,752	992,487
Food service	<u>2,794,761</u>	<u>2,634,798</u>
Total expenses	<u>32,126,272</u>	<u>36,329,006</u>
Change in net position	<u>\$ 2,631,743</u>	<u>\$ (3,081,197)</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2022  
(Continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)**

**Analysis of balances and transactions of individual funds (in thousands) for the fiscal year ended June 30, 2022:**

<u>Fund</u>	<u>Beginning</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers in (out)</u>	<u>Ending</u>
General	\$ 3,086	\$ 32,468	\$ 31,811	\$ 728	\$ 4,471
Special revenue	-	7,363	7,848	70	(415)
Capital outlay	16	336	-	(352)	-
Building	420	4,029	-	(4,281)	168
Construction	2,735	2	1,975	798	1,560
Debt Service	-	245	3,517	3,211	(61)
District Activity	123	94	75	-	142

**Capital Assets and Long-Term Debt Activity (in thousands) for the fiscal year ended June 30, 2022:**

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
<b>Governmental</b>				
Capital assets	\$ 91,773	\$ -	\$ 309	\$ 91,464
Accumulated depreciation	41,734	1,714	309	43,139
<b>Business-type assets</b>				
Capital assets	4,552	-	-	4,552
Accumulated depreciation	3,124	122	-	3,246
<b>Long-term debt</b>				
Bonds payable	35,700	-	2,580	33,120
Finance leases payable	655	-	248	407

**CURRENT ISSUES**

Decrease in enrollment with increase in property values could lead to a SEEK decrease in the coming years.

The District continues to struggle to keep bus drivers and custodians employed.

All employees received a step increase for 2021-2022.

Surrounding districts offering higher pay and higher increase in salary steps currently, and will continue to be, a challenge in teacher retention.

**GRANT COUNTY SCHOOL DISTRICT**

**Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2022  
(Continued)**

**GENERAL FUND REVENUE**

The majority of general revenue was derived from State SEEK Funds (46.5%) with local funding making up 23.3% of total revenue.

**BUDGETARY IMPLICATIONS**

In Kentucky the public school fiscal year is July 1-June 30; other programs, i.e. some federal, operate on a different fiscal calendar, but are reflected in the District's overall budget. By law the budget must have a minimum 2% contingency. The District adopted a budget with \$1,183,408 in contingency (4.7%). The beginning cash balance for the fiscal year is \$7,610,827.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to reflect the District's accountability for the funds it receives. Questions or comments about this report should be directed to Mr. Matt Morgan, Superintendent by telephone at (859) 824-3323 or by mail to the Central Office, 820 Arnie Risen Boulevard, Williamstown, Kentucky 41097-0639.

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Net Position – District Wide  
As of June 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current:</b>			
Cash and cash equivalents	\$ 5,599,733	\$ 1,385,284	\$ 6,985,017
Accounts receivable	1,982,719	311,848	2,294,567
Prepaid expenses	5,661	-	5,661
Inventories for consumption	-	26,708	26,708
Total current	<u>7,588,113</u>	<u>1,723,840</u>	<u>9,311,953</u>
<b>Noncurrent:</b>			
Nondepreciated capital assets:			
Land	2,510,500	-	2,510,500
Depreciated capital assets:			
Land improvements	2,068,012	-	2,068,012
Buildings and improvements	73,808,724	2,970,967	76,779,691
Furniture and equipment	13,456,053	1,581,801	15,037,854
Less: accumulated depreciation	<u>(43,138,145)</u>	<u>(3,245,356)</u>	<u>(46,383,501)</u>
Total noncurrent	<u>48,705,144</u>	<u>1,307,412</u>	<u>50,012,556</u>
Total assets	<u>56,293,257</u>	<u>3,031,252</u>	<u>59,324,509</u>
<b>Deferred Outflows</b>	<u>6,081,127</u>	<u>234,724</u>	<u>6,315,851</u>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
<b>Current:</b>			
Accrued interest	353,191	-	353,191
Current portion of bonds payable	2,695,000	-	2,695,000
Current portion of finance leases	224,795	-	224,795
Current portion of accrued sick leave	54,416	-	54,416
Accounts payable	361,760	-	361,760
Accrued payroll and related expenses	38,958	-	38,958
Unearned revenues	400,706	-	400,706
Total current	<u>4,128,826</u>	<u>-</u>	<u>4,128,826</u>
<b>Noncurrent:</b>			
Accrued sick leave	489,741	-	489,741
Finance leases	568,667	-	568,667
MIF net OPEB liability	8,508,372	344,435	8,852,807
CERS net pension liability	11,723,375	474,584	12,197,959
Bond obligations	30,556,442	-	30,556,442
Total noncurrent	<u>51,846,597</u>	<u>819,019</u>	<u>52,665,616</u>
Total liabilities	<u>55,975,423</u>	<u>819,019</u>	<u>56,794,442</u>
<b>Deferred Inflows</b>	<u>8,928,130</u>	<u>361,427</u>	<u>9,289,557</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	14,943,103	1,307,412	16,250,515
Restricted	(20,866,303)	778,118	(20,088,185)
Unrestricted	3,394,031	-	3,394,031
Total net position	<u>\$ (2,529,169)</u>	<u>\$ 2,085,530</u>	<u>\$ (443,639)</u>

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

**GRANT COUNTY SCHOOL DISTRICT**

**Balance Sheet – Governmental Funds  
As of June 30, 2022**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Instructional	\$ 9,771,135	\$ -	\$ 5,753,440	\$ -	\$ (4,017,695)	\$ -	\$ (4,017,695)
Student support services	2,597,471	-	389,131	-	(2,208,340)	-	(2,208,340)
Staff support services	2,818,900	-	420,200	-	(2,398,700)	-	(2,398,700)
District administration	743,267	-	-	-	(743,267)	-	(743,267)
School administration	2,420,740	-	-	-	(2,420,740)	-	(2,420,740)
Business support services	577,970	-	-	-	(577,970)	-	(577,970)
Plant operation and maintenance	6,363,617	-	772,100	-	(5,591,517)	-	(5,591,517)
Student transportation	2,436,932	-	21,934	-	(2,414,998)	-	(2,414,998)
Food service operations	56,288	-	-	-	(56,288)	-	(56,288)
Community service operations	420,982	-	420,982	-	-	-	-
Facility acquisition and construction	19,457	-	-	1,477,316	1,457,859	-	1,457,859
Interest on long-term debt	1,104,752	-	-	-	(1,104,752)	-	(1,104,752)
Total governmental activities	29,331,511	-	7,777,787	1,477,316	(20,076,408)	-	(20,076,408)
<b>Business-type activities</b>							
Food service	2,794,761	112,277	3,133,507	-	-	451,023	451,023
Total business-type activities	2,794,761	112,277	3,133,507	-	-	451,023	451,023
Total school district	\$ 32,126,272	\$ 112,277	\$ 10,911,294	\$ 1,477,316	(20,076,408)	451,023	(19,625,385)
<b>General revenues:</b>							
					9,873,109	-	9,873,109
					12,470,926	-	12,470,926
					22,842	4,509	27,351
					(147,589)	33,450	(114,139)
Special items:							
					(119)	-	(119)
					166,644	(166,644)	-
<b>Total general and special revenues</b>					<b>22,385,813</b>	<b>(128,685)</b>	<b>22,257,128</b>
<b>Change in net position</b>					<b>2,309,405</b>	<b>322,338</b>	<b>2,631,743</b>
<b>Net position - beginning</b>					<b>(4,838,574)</b>	<b>1,763,192</b>	<b>(3,075,382)</b>
<b>Net position - ending</b>					<b>\$ (2,529,169)</b>	<b>\$ 2,085,530</b>	<b>\$ (443,639)</b>

**GRANT COUNTY SCHOOL DISTRICT**

**Balance Sheet – Governmental Funds  
As of June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Building Fund</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
<b>Current:</b>						
Cash and cash equivalents	\$ 3,983,408	\$ (970,734)	\$ 384,025	\$ 1,560,001	\$ 643,033	\$ 5,599,733
Accounts receivable	528,703	1,371,440	82,576		-	1,982,719
Prepaid expenses	-	-	-		5,661	5,661
Total current	<u>\$ 4,512,111</u>	<u>\$ 400,706</u>	<u>\$ 466,601</u>	<u>\$ 1,560,001</u>	<u>\$ 648,694</u>	<u>\$ 7,588,113</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
<b>Current:</b>						
Accounts payable	\$ 2,004	\$ -	\$ 359,756	\$ -	\$ -	\$ 361,760
Accrued payroll and related expenses	38,958	-	-	-	-	38,958
Deferred revenue	-	400,706	-	-	-	400,706
	<u>40,962</u>	<u>400,706</u>	<u>359,756</u>	<u>-</u>	<u>-</u>	<u>801,424</u>
<b>Fund Balances</b>						
<b>Assigned:</b>						
Purchase obligations	100	-	-		-	100
Restricted	50,346	-	106,845	1,560,001	648,694	2,365,886
<b>Committed:</b>						
Sick leave	129,424	-	-		-	129,424
Unassigned	4,291,279	-	-		-	4,291,279
Total fund balances	<u>4,471,149</u>	<u>-</u>	<u>106,845</u>	<u>1,560,001</u>	<u>648,694</u>	<u>6,786,689</u>
Total liabilities and fund balances	<u>\$ 4,512,111</u>	<u>\$ 400,706</u>	<u>\$ 466,601</u>	<u>\$ 1,560,001</u>	<u>\$ 648,694</u>	<u>\$ 7,588,113</u>



**GRANT COUNTY SCHOOL DISTRICT**

**Reconciliation of the Balance Sheet  
Governmental Funds to the Statement of Net Position  
As of June 30, 2022**

Total governmental fund balance		\$ 6,786,689
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of capital assets	91,843,289	
Accumulated depreciation	<u>(43,138,145)</u>	48,705,144
Deferred outflows		
MIF contributions made after the measurement date	636,287	
Related to other postemployment benefit plans	3,083,310	
CERS contributions made after the measurement date	1,331,916	
Related to pensions	746,751	
Bond refinancing	<u>282,863</u>	6,081,127
Deferred inflows related to pensions	(3,043,316)	
Deferred inflows related to other postemployment benefit plans	<u>(5,884,814)</u>	(8,928,130)
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable	(33,120,000)	
Bond premium	(131,442)	
Accrued interest on bonds	(353,191)	
Finance leases	(793,462)	
Assessed KISBIT liability	-	
Net pension liability	(11,723,375)	
Net OPEB liability	(8,508,372)	
Accrued sick leave	<u>(544,157)</u>	(55,173,999)
Total net position - governmental		<u>\$ (2,529,169)</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2022**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Building Fund</b>	<b>Construction Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Taxes	\$ 7,609,027	\$ -	\$ 2,264,082	\$ -	\$ -	\$ 9,873,109
Earnings on investments	14,844	-	5,045	2,062	891	22,842
State sources	24,502,521	1,573,056	1,760,047	-	580,454	28,416,078
Federal sources	216,034	6,101,731	-	-	-	6,317,765
Other sources	125,406	103,000	-	-	896,862	1,125,268
<b>Total revenues</b>	<b>32,467,832</b>	<b>7,777,787</b>	<b>4,029,174</b>	<b>2,062</b>	<b>1,478,207</b>	<b>45,755,062</b>
<b>Expenditures</b>						
Instructional	18,103,661	5,823,911	-	-	63,213	23,990,785
Student support services	1,495,650	389,131	-	-	712,579	2,597,360
Staff support services	2,389,909	420,200	-	-	8,791	2,818,900
District administration	693,475	-	-	-	-	693,475
School administration	2,416,726	-	-	-	-	2,416,726
Business support services	577,970	-	-	-	-	577,970
Plant operation and maintenance	3,378,306	772,100	-	-	3,310	4,153,716
Student transportation	2,280,193	21,934	-	-	-	2,302,127
Food service operation	56,288	-	-	-	-	56,288
Community service operations	-	420,982	-	-	-	420,982
Facility acquisition and construction	-	-	-	1,974,509	-	1,974,509
Debt service:						
Principal	294,668	-	-	-	2,533,119	2,827,787
Interest	123,813	-	-	-	983,891	1,107,704
<b>Total expenditures</b>	<b>31,810,659</b>	<b>7,848,258</b>	<b>-</b>	<b>1,974,509</b>	<b>4,304,903</b>	<b>45,938,329</b>
(Deficit) of revenues over expenditures	657,173	(70,471)	4,029,174	(1,972,447)	(2,826,696)	(183,267)
<b>Other financing sources (uses)</b>						
Operating transfers in	798,776	70,471	-	797,839	3,272,132	4,939,218
Operating transfers out	(70,471)	-	(4,341,912)	-	(360,191)	(4,772,574)
<b>Total other financing sources (uses)</b>	<b>728,305</b>	<b>70,471</b>	<b>(4,341,912)</b>	<b>797,839</b>	<b>2,911,941</b>	<b>166,644</b>
Net change in fund balance	1,385,478	-	(312,738)	(1,174,608)	85,245	(16,623)
Fund balance, June 30, 2021	3,085,671	-	419,583	2,734,609	563,449	6,803,312
Fund balance, June 30, 2022	\$ 4,471,149	\$ -	\$ 106,845	\$ 1,560,001	\$ 648,694	\$ 6,786,689

**GRANT COUNTY SCHOOL DISTRICT**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2022**

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

Net changes-governmental funds		\$ (16,623)
<p>Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.</p>		
Depreciation expense	(1,713,983)	
Capital outlays	-	
Retirement of capital assets	<u>(119)</u>	(1,714,102)
<p>Bond and finance lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>		
Proceeds from bond sale	-	
Bond principal paid	2,580,000	
Bond premium	-	
Amortization of bond premium	6,918	
Deferred Outflow for Bond Financing	-	
Amortization of bond financing	(44,514)	
Finance lease principal paid	<u>247,787</u>	2,790,191
Deferred outflows related to pensions		(733,677)
Deferred outflows related to other postemployment benefit plans		498,278
Deferred inflows related to pensions		(2,370,032)
Deferred inflows related to other postemployment benefit plans		(2,004,498)
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.		<u>5,859,868</u>
Changes in net position of governmental activities		<u>\$ 2,309,405</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Net Position – Proprietary Funds  
As of June 30, 2022**

	<u>Food Service Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 1,301,484	\$ 83,800	\$ 1,385,284
Accounts receivable	309,295	2,553	311,848
Inventories for consumption	<u>26,708</u>	<u>-</u>	<u>26,708</u>
Total current	<u>1,637,487</u>	<u>86,353</u>	<u>1,723,840</u>
<b>Noncurrent</b>			
Furniture and Fixtures	4,552,768	-	4,552,768
Less: accumulated depreciation	<u>(3,245,356)</u>	<u>-</u>	<u>(3,245,356)</u>
Total noncurrent	<u>1,307,412</u>	<u>-</u>	<u>1,307,412</u>
Total assets	<u>2,944,899</u>	<u>86,353</u>	<u>3,031,252</u>
<b>Deferred outflows</b>	<u>234,724</u>	<u>-</u>	<u>234,724</u>
<b>Liabilities and Net Position</b>			
<b>Noncurrent</b>			
MIF net OPEB liability	344,435	-	344,435
CERS net pension liability	<u>474,584</u>	<u>-</u>	<u>474,584</u>
Total noncurrent	<u>819,019</u>	<u>-</u>	<u>819,019</u>
Total liabilities	<u>819,019</u>	<u>-</u>	<u>819,019</u>
<b>Deferred inflows</b>	<u>361,427</u>	<u>-</u>	<u>361,427</u>
<b>Net Position</b>			
Invested in assets, net of debt	1,307,412	-	1,307,412
Restricted	<u>691,765</u>	<u>86,353</u>	<u>778,118</u>
Total net position	<u>\$ 1,999,177</u>	<u>\$ 86,353</u>	<u>\$ 2,085,530</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenses and Changes in Net Position –  
Proprietary Funds  
Year Ended June 30, 2022**

	<b>Food Service</b>	<b>Other Enterprise Fund</b>	<b>Total</b>
<b>Operating revenues</b>			
Lunchroom sales	\$ 112,277	\$ -	\$ 112,277
Other operating revenues	-	33,450	33,450
Total operating revenues	<u>112,277</u>	<u>33,450</u>	<u>145,727</u>
<b>Operating expenses</b>			
Salaries and benefits	1,252,774	1,645	1,254,419
Contract services	70,009	19	70,028
Materials and supplies	1,320,965	27,454	1,348,419
Depreciation	121,895	-	121,895
Other operating expenses	-	-	-
Total operating expenses	<u>2,765,643</u>	<u>29,118</u>	<u>2,794,761</u>
Operating loss	<u>(2,653,366)</u>	<u>4,332</u>	<u>(2,649,034)</u>
<b>Nonoperating revenues (expenses)</b>			
Federal grants	2,688,719	-	2,688,719
State grants	207,791	-	207,791
Donated commodities and other donations	236,997	-	236,997
Interest income	4,509	-	4,509
Transfers	<u>(166,644)</u>	<u>-</u>	<u>(166,644)</u>
Total nonoperating revenues	<u>2,971,372</u>	<u>-</u>	<u>2,971,372</u>
Change in net position	318,006	4,332	322,338
Total net position, July 1, 2021	<u>1,681,171</u>	<u>82,021</u>	<u>1,763,192</u>
Total net position, June 30, 2022	<u>\$ 1,999,177</u>	<u>\$ 86,353</u>	<u>\$ 2,085,530</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2022**

	<u>Food Service Fund</u>	<u>Other Enterprise Fund</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash received from lunchroom sales	\$ 112,277	\$ -	\$ 112,277
Cash received from other activities	-	33,450	33,450
Cash payments to employees for services	(1,287,591)	(1,645)	(1,289,236)
Cash payments to suppliers for goods and services	<u>(1,598,210)</u>	<u>(30,026)</u>	<u>(1,628,236)</u>
Net cash used in operating activities	<u>(2,773,524)</u>	<u>1,779</u>	<u>(2,771,745)</u>
<b>Cash flows from noncapital financing activities</b>			
Non-operating revenues received	<u>3,133,507</u>	<u>-</u>	<u>3,133,507</u>
Net cash provided by noncapital financing activities	<u>3,133,507</u>	<u>-</u>	<u>3,133,507</u>
<b>Cash flows from investing activities</b>			
Transfer of funds	(166,644)	-	(166,644)
Interest on investments	<u>4,509</u>	<u>-</u>	<u>4,509</u>
Net cash flows used in investing activities	<u>(162,135)</u>	<u>-</u>	<u>(162,135)</u>
Net increase in cash and cash equivalents	197,848	1,779	199,627
Cash and cash equivalents - beginning	<u>1,103,636</u>	<u>82,021</u>	<u>1,185,657</u>
Cash and cash equivalents - ending	<u>\$ 1,301,484</u>	<u>\$ 83,800</u>	<u>\$ 1,385,284</u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>			
Operating income (loss)	\$ (2,653,366)	\$ 4,332	\$ (2,649,034)
<b>Adjustments to reconcile operating loss to net cash used in operating activities</b>			
Depreciation	121,895	-	121,895
Changes in assets and liabilities:			
Decrease in deferred outflows	6,200	-	6,200
Increase in deferred inflows	179,602	-	179,602
Increase in accounts receivable	(218,567)	(2,553)	(221,120)
Decrease in MIF net OPEB liability	(268,602)	-	(268,602)
Increase in CERS net pension liability	47,983	-	47,983
Decrease in inventories	<u>11,331</u>	<u>-</u>	<u>11,331</u>
Net cash used in operating activities	<u>\$ (2,773,524)</u>	<u>\$ 1,779</u>	<u>\$ (2,771,745)</u>
<b>Schedule of non-cash transactions:</b>			
Donated commodities received from federal government	<u>\$ 236,997</u>	<u>\$ -</u>	<u>\$ 236,997</u>
On-behalf payments	<u>\$ 185,451</u>	<u>\$ -</u>	<u>\$ 185,451</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Fiduciary Net Position  
As of June 30, 2022**

	<u>Trust Fund</u>	<u>Total</u>
<b>Assets</b>		
<b>Current:</b>		
Cash and cash equivalents	\$ 4,396	\$ 4,396
Total current	<u>4,396</u>	<u>4,396</u>
<b>Net Position</b>		
Restricted - other	<u>4,396</u>	<u>4,396</u>
Total net position	<u>\$ 4,396</u>	<u>\$ 4,396</u>

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

GRANT COUNTY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2022

	<u>Trust Fund</u>	<u>Total</u>
<b>Additions</b>		
Net interest and investment gains	\$ 212	\$ 212
Other additions	4,503	4,503
Total additions	<u>4,715</u>	<u>4,715</u>
<b>Deductions</b>		
Contract services	<u>7,493</u>	<u>7,493</u>
Total deductions	<u>7,493</u>	<u>7,493</u>
Net change in net position	(2,778)	(2,778)
Net position, July 1, 2021	<u>7,174</u>	<u>7,174</u>
Net position, June 30, 2022	<u>\$ 4,396</u>	<u>\$ 4,396</u>

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



## GRANT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Grant County Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as 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:

Grant County School District Finance Corporation - The Board authorized the establishment of the Grant County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board Members of the Grant County Board of Education also comprise the Corporation's Board of Directors.

##### ***Basis of Presentation***

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

## GRANT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### *Basis of Presentation (Continued)*

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

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

The District has the following funds:

##### I. Governmental Fund Types

- (A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.
- (B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the schedule of expenditures of federal awards included in this report on page 74. This is a major fund of the District.
- (C) Special Revenue Activity Fund is used to support co-curricular activities and are not raised and expended by student groups. District activity funds accounted for in the District bank account are not subject to the Redbook and may be expended with more flexibility than school activity funds but must meet the "educational purpose" standard for all District expenditures.

## GRANT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Basis of Presentation (Continued)*

##### I. Governmental Fund Types (cont'd)

(D) The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.

(E) 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 Funds).

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

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

3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. The District is committed to construction contracts in the amount of \$1,560,001 for ongoing projects.

##### II. 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.

##### III. Proprietary Fund (Enterprise Fund)

The School Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). The Food Service fund is a major fund of the District.

The District applies all Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

## GRANT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### ***Basis of Accounting***

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-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 exchange transactions, 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.

Nonexchange 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 resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they can be recognized.

Unearned Revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The 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.

##### ***Taxes***

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

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Budgetary Process***

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP) of the United States of America. The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

***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***

Supplies and materials are charged to expenditures when purchased, except for inventories in the Proprietary Fund, which are capitalized at the lower of cost or market.

***Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net assets 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 district-wide statement of net assets 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 asset's life are not.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Capital Assets (Continued)***

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-10 years
Audio-visual equipment	15 years
Food service equipment	10-12 years
Furniture and fixtures	15-20 years

***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 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 District's experience of making termination payments. The entire compensated absence liability is reported on the district-wide financial statements.

***Interfund Balances***

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

***Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of financing leases, accumulated sick leave, contractually required pension 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 in the fund financial statements until due.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Balance Reserves***

Beginning with fiscal year 2012 the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority.

Unassigned fund balance – amounts that are available for purpose; positive amounts are reported only in the General fund.

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations, using restricted funds first, followed by committed funds, assigned funds, then unassigned funds.

Encumbrances are not liabilities and are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically re-budgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance in the governmental funds balance sheet.

***Net Position***

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Operating Revenues and Expenses***

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

## GRANT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Interfund Activity*

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

##### *Pensions*

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

##### *Postemployment Benefits Other Than Pensions (OPEB)*

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

#### NOTE 2 ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### NOTE 3 CASH AND CASH EQUIVALENTS

The District maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The amounts exceeding the federally insured limits are covered by a collateral agreement and the collateral is held by the pledging banks' trust departments in the District's name. The District has not experienced any losses in such accounts and the District believes it is not exposed to any significant credit risk on cash and cash equivalents.



**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

<u>Governmental Activities</u>	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
Land	\$ 2,510,500	\$ -	\$ -	\$ 2,510,500
Land improvements	2,068,012	-	-	2,068,012
Buildings and improvements	73,808,724	-	-	73,808,724
Technology equipment	4,016,677	-	304,296	3,712,381
Vehicles	7,788,620	-	-	7,788,620
General equipment	1,959,601	-	4,549	1,955,052
Construction work in progress	-	-	-	-
Totals at historical cost	<u>92,152,134</u>	<u>-</u>	<u>308,845</u>	<u>91,843,289</u>
Less: accumulated depreciation				
Land improvements	1,979,463	13,265	-	1,992,728
Buildings and improvements	27,894,735	1,469,573	-	29,364,308
Technology equipment	3,992,939	15,401	304,177	3,704,163
Vehicles	5,980,005	202,305	-	6,182,310
General equipment	1,885,746	13,439	4,549	1,894,636
Total accumulated depreciation	<u>41,732,888</u>	<u>1,713,983</u>	<u>308,726</u>	<u>43,138,145</u>
Governmental activities capital assets - net	<u>\$ 50,419,246</u>	<u>\$ (1,713,983)</u>	<u>\$ 119</u>	<u>\$ 48,705,144</u>
<u>Business - Type Activities</u>				
Buildings and improvements	\$ 2,970,967	\$ -	\$ -	\$ 2,970,967
Technology equipment	51,684	-	-	51,684
Vehicles	27,400	-	-	27,400
General equipment	1,502,717	-	-	1,502,717
Totals at historical cost	<u>4,552,768</u>	<u>-</u>	<u>-</u>	<u>4,552,768</u>
Less: accumulated depreciation				
Buildings and improvements	1,786,264	79,851	-	1,866,115
Technology equipment	47,775	3,210	-	50,985
Vehicles	21,920	5,480	-	27,400
General equipment	1,267,502	33,354	-	1,300,856
Total accumulated depreciation	<u>3,123,461</u>	<u>121,895</u>	<u>-</u>	<u>3,245,356</u>
Business - type activities capital assets - net	<u>\$ 1,429,307</u>	<u>\$ (121,895)</u>	<u>\$ -</u>	<u>\$ 1,307,412</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Depreciation expense by function for the fiscal year ended June 30, 2022 was as follows

	<u>Governmental</u>	<u>Business-Type</u>
Instructional	\$ 1,270,412	\$ -
Student support services	111	-
Staff support services	-	-
District administration	49,792	-
School administration	4,014	-
Plant operation and maintenance	254,849	-
Student transportation	134,805	-
Central office	-	-
Food service	-	121,895
	<u>\$ 1,713,983</u>	<u>\$ 121,895</u>

**NOTE 5 ACCUMULATED UNPAID SICK LEAVE BENEFITS**

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2022 this amount totaled approximately \$544,157 for those employees with twenty-seven or more years of experience.

**NOTE 6 COMMITMENTS UNDER FINANCE LEASES**

The District is the lessee of buses under finance leases expiring between 2023 and after 2027. The assets and liabilities under finance leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation of assets under finance leases is included in depreciation expense.

Future minimum lease payments under finance leases as of June 30, 2022, for each of the next five years and in the aggregate are as follows:

2022-2023	\$ 224,795
2023-2024	186,429
2024-2025	146,023
2025-2026	106,003
2026-2027	70,941
Thereafter	<u>114,465</u>
Total minimum payments	848,656
Less amount representing interest	<u>(55,194)</u>
Present value of net minimum lease payments	<u>\$ 793,462</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 7 LEASE OBLIGATIONS AND BONDED DEBT**

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued.

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

<u>Issue Date</u>	<u>Proceeds</u>	<u>Rates</u>
September 29, 2010	\$ 2,215,000	0.600% - 3.100%
February 21, 2013	4,490,000	1.400% - 2.200%
January 1, 2014	4,470,000	2.150% - 4.100%
April 1, 2015	7,940,000	0.300% - 3.210%
January 1, 2016	13,920,000	2.000% - 3.000%
April 1, 2016	3,160,000	2.000% - 3.250%
March 1, 2017	3,750,000	3.000% - 3.500%
March 11, 2020	386,492	2.000%
October 7, 2020	6,190,000	2.000%

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Grant County Fiscal Court and the Grant County School District Finance Corporation to construct school facilities.

The District entered into "participation agreements" with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 18 sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2022 for debt service (principal and interest) are reported in Note 18.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 8 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**

***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 Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

***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 service or 65 years old
	Reduced retirement	At least 5 years service and 55 years old At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not available

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. One month's 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 75% of the decedent's monthly average rate of pay. If the surviving spouse remarries, the monthly rate will be recalculated to 25% of the decedent's monthly average. Any dependent child will receive 50% of the decedent's monthly final rate of pay up to 75% for all dependent children. Five years' service is required for nonservice-related disability benefits.

**Contributions**

Required contributions by the employee are based on the following tier:

	<u>Required contribution</u>
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The contribution requirement for CERS for the year ended June 30, 2022, was \$1,674,759, which consisted of \$1,385,834 from the District and \$288,925 from the employees. Total contributions for the year ended June 30, 2021 and 2020 were \$1,490,873 and \$1,591,030, respectively. The contributions have been contributed in full for fiscal years 2022, 2021 and 2020.

**General information about the Teachers' Retirement System of the State of Kentucky**

**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—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained 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.

## GRANT COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements (Continued)

#### NOTE 8 RETIREMENT PLANS (CONTINUED)

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 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 has been amended to change the benefit structure for employees hired on or after that date.

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

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. Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to TRS. The contribution requirement for TRS for the year ended June 30, 2022, was \$2,610,600, which consisted of \$607,987 from the District and \$2,002,613 from the employees. Total contributions for the year ended June 30, 2021 and 2020 were \$2,561,111 and \$2,585,882, respectively. The contributions have been contributed in full for fiscal years 2022, 2021 and 2020.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

GRANT COUNTY SCHOOL DISTRICT

Notes to the Financial Statements  
(Continued)

NOTE 8 RETIREMENT PLANS (CONTINUED)

Medical Insurance Plan

*Plan description*

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

To be eligible for medical benefits, the member must have retired either for service or disability. The TRS Medical Insurance Fund (MIF) 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 Medicare Eligible Health Plan.

*Funding policy*

In order to fund the post-retirement healthcare benefit, 6.59% of the gross annual payroll of employees before July 1, 2008 is contributed. 3.75% is paid by member contributions, 0.16% is credited to the Commonwealth, and 3.00% is contributed by the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability	\$ 12,197,959
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>59,417,141</u>
	<u>\$ 71,615,100</u>

The net pension liability for each plan was measured as of June 30, 2021, 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 actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2021, the District's proportion was 0.191317% percent.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

For the year ended June 30, 2022, the District recognized a reduction in pension expense of \$1,301,547 related to CERS. The District also recognized a reduction of expense of \$13,999,087 and a reduction of revenue of \$13,999,087 for TRS support provided by the Commonwealth due to change in assumptions. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 140,070	\$ 118,389
Net difference between projected and actual earnings on pension plan investments	473,200	2,098,983
Change of Assumptions	163,711	-
Changes in proportion and differences between employer contributions and proportionate share of contribution	-	949,143
District contributions subsequent to the measurement date	1,385,834	-
	<b>\$ 2,162,815</b>	<b>\$ 3,166,515</b>

\$1,385,834 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:	
2023	\$ (712,300)
2022	(776,550)
2023	(391,573)
2024	(509,111)
2025	-

***Actuarial assumptions***

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:



**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

	<b>CERS</b>	<b>KTRS</b>
Inflation	2.30%	3.00%
Projected salary increases	3.05%	3.5-7.3%
Investment rate of return, net of investment expense and inflation	6.25%	7.10%

For CERS, mortality rates used for active members was PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on a mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for disabled members was PUB-2010 Disabled Mortality table, 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.

For TRS, mortality rates were based on Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each 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 6-year period ending June 30, 2020, adopted by the board on September 10, 2021.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2014 through 2018, is outlined in a report dated April 18, 2019. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were 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 then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

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

<u>Asset Class</u>	<u>KTRS Target Allocation</u>	<u>KTRS Long-Term Expected Real Rate of Return</u>	<u>CERS Target Allocation</u>	<u>CERS Long-Term Expected Real Rate of Return</u>
US equity	40.0%	4.20%	21.8%	5.70%
International Equity	22.0%	22.00%	21.8%	6.35%
Core bonds			10.0%	0.00%
Private equity	7.0%	6.90%	10.0%	9.70%
High yield	2.0%	1.70%	15.0%	2.80%
Fixed income	15.0%	-0.10%		
Additional categories	5.0%	2.20%		
Real estate	7.0%	4.00%	10.0%	5.40%
Opportunistic			0.0%	N/A
Real return			10.0%	4.55%
Cash	2.0%	-0.30%	1.5%	-0.60%
Total	100%		100%	

***Discount rate***

For CERS, the discount rate used to measure the total pension liability was 6.25%. 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 6.25%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

***Sensitivity of CERS and TRS 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 15,644,462	\$ 12,197,959	\$ 9,346,060
KTRS	6.10%	7.10%	8.10%
District's proportionate share of net pension liability	-	-	-

***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.

**NOTE 9 OPEB PLANS**

**General information about the Teachers' Retirement System OPEB Plan**

***Plan description***

Teaching-certified employees of the Grant County Board of Education are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

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

**Medical Insurance Plan**

***Plan description***

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

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

***Benefits provided***

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

***Contributions***

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

**General information about the County Employees Retirement System Non-Hazardous OPEB Plan**

***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 Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS.

***Benefits provided***

CERS provides 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. See Note 7 for tier classifications.

***Contributions***

Required contributions by the employee are based on the tier disclosed in Note 7.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

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

At June 30, 2022, the Grant County School District reported a liability of \$8,852,807 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2021, 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, 2022 and 2021 the District's proportion was 0.24 percent for TRS. At June 30, 2022, the District's proportion was 0.19 percent for CERS, which was .02 percent lower than measured as of June 30, 2021.

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

District's proportionate share of the CERS net OPEB liability	\$ 3,661,807
District's proportionate share of the TRS net OPEB liability	5,191,000
State's proportionate share of the net OPEB liability associated with the District	<u>4,216,000</u>
	<u><u>\$ 13,068,807</u></u>

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

For the year ended June 30, 2022, the District recognized a reduction in OPEB expense of \$169,752 and revenue of \$348,757 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual performance	\$ 575,820	\$ 4,180,294
Net difference between projected and actual earnings on OPEB plan investments	184,493	1,311,331
Change of Assumptions	2,328,815	3,405
Changes in proportion and differences between employer contributions and proportionate share of contributions	119,000	628,012
District contributions subsequent to the measurement date	<u>662,045</u>	<u>-</u>
Total	<u>\$ 3,870,173</u>	<u>\$ 6,123,042</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$662,045 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2023. 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:	
2023	\$ (641,981)
2024	(731,803)
2025	(671,813)
2026	(768,317)
2027	(111,000)
Thereafter	10,000

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

***Actuarial assumptions***

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	CERS
Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.50 - 7.20%, including inflation	3.30% to 10.30%, varies by service
Inflation rate	32.5%	2.30%
Real Wage Growth	0.25%	
Wage Inflation	2.75%	
Healthcare cost trend rates		
Under 65	7.00% for FY 2021 decreasing to an ultimate rate of 4.50% by FY 2031	Initial trend starting at 6.25% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Ages 65 and Older	5.00% for FY 2022 decreasing to an ultimate rate of 4.50% by FY 2024	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
Medicare Part B Premiums	4.40% for FY 2021 with an ultimate rate of 4.50% by 2034	
Municipal Bond Index Rate	2.13%	1.92%
Discount Rate	7.10%	5.20%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation	

For TRS, mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2020 valuation were based on the results of the most actuarial experience studies, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

For CERS, mortality rates used for active members was PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on a mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

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, 2020 valuation.

For TRS, 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.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

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	30 Year Expected Geometric Real Rate of Return	MIF
Global Equity	58.0%	5.1%	
Fixed Income	9.0%	-0.1%	
Real Estate	6.5%	4.0%	
Private Equity	8.5%	6.9%	
Other Additional Categories	17.0%	3.9%	
Cash (LIBOR)	1.0%	-0.3%	
Total	<u>100.0%</u>		

***Discount rate***

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

For CERS, the discount rate used to measure the total OPEB liability was 5.20%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate, 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 or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
TRS			
Districts' net OPEB liability	\$ 6,646,000	\$ 5,191,000	\$ 3,988,000
	<u>1% Decrease (4.20%)</u>	<u>Current Discount Rate (5.20%)</u>	<u>1% Increase (6.20%)</u>
CERS			
Districts' net OPEB liability	\$ 5,027,633	\$ 3,661,807	\$ 2,540,920

***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:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
TRS			
Districts' net OPEB liability	\$ 3,771,000	\$ 5,191,000	\$ 6,958,000
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
CERS			
Districts' net OPEB liability	\$ 2,636,066	\$ 3,661,807	\$ 4,899,892

***OPEB plan fiduciary net position***

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

**Life Insurance Plan**

***Plan description***

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.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

***Benefits provided***

TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit funded by the Life Insurance Fund (LIF) is payable upon the death of the member to the member's estate or to a party designated by the member.

***Contributions***

In order to fund the post-retirement life insurance benefit, three hundredths of one percent (.03%) of the gross annual payroll of members is contributed by the state.

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

At June 30, 2022, the Grant County School 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 the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the District		56,000
	\$	56,000

For the year ended June 30, 2022, the District recognized OPEB expense of \$-0- and revenue of \$8,589 for support provided by the State.

***Actuarial assumptions***

The total OPEB liability in the June 30, 2021 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	3.00 - 7.50%, including wage inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	2.13%
Discount Rate	7.50%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including price inflation

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

Mortality rates were based on the Pub2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2020 valuation were based on the results of the most actuarial experience studies, 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, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. Large Cap Equity	40.0%	4.4%
International Equity	23.0%	5.6%
Fixed Income	18.0%	-0.1%
Real Estate	6.0%	4.0%
Private Equity	5.0%	6.9%
Other Additional Categories	6.0%	2.1%
Cash (LIBOR)	2.0%	-0.3%
Total	<u>100.0%</u>	

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 9 OPEB PLANS (CONTINUED)**

***Discount rate***

The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 <u>(6.10%)</u>	Current Discount <u>Rate (7.10%)</u>	1% Increase <u>(8.10%)</u>
Districts' net OPEB liability	\$ -	\$ -	\$ -

***OPEB plan fiduciary net position***

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

**NOTE 10 CONTINGENCIES**

Grant Fund Approval

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

**NOTE 11 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, 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 includes workers' compensation insurance.

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 12 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days' notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

The District is self-insured for unemployment insurance benefits. The District reimburses the state for any claims paid. The District purchases workers' compensation insurance through the Kentucky School Boards Insurance Trust. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 13 DEFICIT OPERATING/FUND BALANCES**

The District currently has no funds with a deficit fund balance. However, the following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Capital Outlay Fund	\$	15,656
Construction Fund		1,174,608
Mason Corinth Elementary		1,845
Building Fund		312,738
Trust and Agency		2,778

**NOTE 14 COBRA**

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

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 15 CONTINGENT LIABILITY**

The District was a participant in the Kentucky School Board Insurance Trust (KSBIT) in which the District purchases general liability and workers' compensation insurance. As of June 30, 2022, the District has paid this liability in full.

**NOTE 16 TRANSFER OF FUNDS**

The following transfers were made during the year.

From Fund	To Fund	Purpose	Amount
General Fund	Special Revenue Fund	KETS	\$ 70,471
Building Fund	General Fund	Capital Funds Request	147,842
School Activity Fund	General Fund	Fund 25 GASB	8,068
Building Fund	General Fund	Capital Funds Request	476,222
Food Service	General Fund	Indirect Costs	166,644
Capital Outlay Fund	Construction Fund	Transfer Escrow	16,547
Capital Outlay Fund	Construction Fund	Move to Paving	335,576
Building Fund	Construction Fund	Capital Funds Request	22,074
Building Fund	Construction Fund	Transfer Escrow	423,642
Building Fund	Debt Service	Bond Payments	3,272,132

**NOTE 17 ON-BEHALF PAYMENTS**

For the year ended June 30, 2022 total payments of \$9,318,913 were made for life insurance, health insurance, TRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

General Fund	\$ 8,888,584
Debt Service	244,878
Food Service	185,451
Total On-Behalf	<u>\$ 9,318,913</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 18 SCHEDULE OF LONG-TERM OBLIGATIONS**

**2010R, 2013, 2014, 2015R, 2016, 2016R, 2017 and 2020 Series**

<u>Fiscal Year</u>	<u>Grant County School District</u>		<u>Kentucky School Facilities Construction Commission</u>		<u>Total Requirements</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022-2023	\$ 2,513,809	\$ 870,398	\$ 181,191	\$ 63,686	\$ 3,629,084
2023-2024	2,559,625	822,102	185,375	59,503	3,626,605
2024-2025	2,639,475	751,539	190,525	54,354	3,635,893
2025-2026	2,718,702	676,806	196,298	48,580	3,640,386
2026-2027	2,792,752	605,224	202,248	42,632	3,642,856
2027-2028	2,121,626	510,078	208,374	36,503	2,876,581
2028-2029	2,195,311	444,017	214,689	30,189	2,884,206
2029-2030	2,268,711	375,229	221,289	23,590	2,888,819
2030-2031	2,325,423	303,218	189,577	17,298	2,835,516
2031-2032	1,366,099	245,784	78,901	13,235	1,704,019
2032-2033	1,423,732	202,214	81,268	10,868	1,718,081
2033-2034	1,476,192	156,160	83,808	8,328	1,724,488
2034-2035	923,573	107,566	86,427	5,709	1,123,275
2035-2036	960,766	81,287	89,234	2,900	1,134,188
2036-2037	785,000	53,900	-	-	838,900
2037-2038	430,000	32,500	-	-	462,500
2038-2039	450,000	23,700	-	-	473,700
2039-2040	475,000	14,450	-	-	489,450
2040-2041	485,000	4,850	-	-	489,850
	<u>\$ 30,910,796</u>	<u>\$ 6,281,021</u>	<u>\$ 2,209,204</u>	<u>\$ 417,375</u>	<u>\$ 39,818,396</u>

A summary of the changes in the principal of the outstanding bond obligations, finance leases, and accrued sick leave for the District during the year ended June 30, 2022 is as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2022</u>
Bond Obligations	\$ 35,700,000	\$ -	\$ 2,580,000	\$ 33,120,000
Bond Premium	\$ 138,360	\$ -	\$ 6,918	\$ 131,442
Finance Leases	\$ 1,041,249	\$ -	\$ 247,787	\$ 793,462
Accrued Sick Leave	\$ 596,261	\$ 26,903	\$ 79,007	\$ 544,157

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Financial Statements  
(Continued)**

**NOTE 19 CHANGE IN ACCOUNTING PRINCIPLE**

Effective July 1, 2021, the District elected to adopt Governmental Accounting Standards Board (“GASB”) Statement no. 87, *Leases*, as it relates to accounting and financial reporting for leases. Under this Statement, a single model for lease accounting is established based on the foundational principle that leases are financings of the right to use an underlying asset. Leases are recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. There was no material impact on the financial statements as a result of this change in accounting principle.

**NOTE 20 SUBSEQUENT EVENTS**

Subsequent events were considered through December 15, 2022, which represents the release date of our report.



SUPPLEMENTARY  
INFORMATION

**GRANT COUNTY SCHOOL DISTRICT**

**Combining Balance Sheet – Nonmajor Governmental Funds  
As of June 30, 2022**

	<u>Capital Outlay Fund</u>	<u>Debt Service Fund</u>	<u>District Activity Fund</u>	<u>School Activity Fund</u>	<u>Total Non-major Government Funds</u>
<b>Assets</b>					
<b>Current:</b>					
Cash and cash equivalents	\$ 541	\$ (5,661)	\$ 141,185	\$ 506,968	\$ 643,033
Interfund Receivables	-			-	-
Prepaid Expenses	-	5,661	-	-	5,661
Total current	<u>541</u>	<u>-</u>	<u>141,185</u>	<u>506,968</u>	<u>648,694</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted:					
Capital projects	541	-	-	-	541
Other	-	-	141,185	506,968	648,153
Total fund balances	<u>541</u>	<u>-</u>	<u>141,185</u>	<u>506,968</u>	<u>648,694</u>
Total liabilities and fund balances	<u>\$ 541</u>	<u>\$ -</u>	<u>\$ 141,185</u>	<u>\$ 506,968</u>	<u>\$ 648,694</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Combining Statements of Revenues, Expenditures and Changes  
In Fund Balances – Nonmajor Governmental Funds  
Year Ended June 30, 2022**

	<b>Capital Outlay Fund</b>	<b>Debt Service Fund</b>	<b>District Activity Fund</b>	<b>Student Activity Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>					
Earnings on investments	\$ 891	\$ -	\$ -	\$ -	\$ 891
State sources	335,576	244,878	-	-	580,454
Other sources	-	-	93,905	802,957	896,862
Total revenues	<u>336,467</u>	<u>244,878</u>	<u>93,905</u>	<u>802,957</u>	<u>1,478,207</u>
<b>Expenditures:</b>					
Instructional	-	-	63,213	-	63,213
Student support services	-	-	-	712,579	712,579
Staff support services	-	-	8,791	-	8,791
Plant operation and maintenance	-	-	3,310	-	3,310
Debt service:					
Principal	-	2,533,119	-	-	2,533,119
Interest	-	983,891	-	-	983,891
Total expenditures	<u>-</u>	<u>3,517,010</u>	<u>75,314</u>	<u>712,579</u>	<u>4,304,903</u>
Excess (deficit) of revenues over expenditures	<u>336,467</u>	<u>(3,272,132)</u>	<u>18,591</u>	<u>90,378</u>	<u>(2,826,696)</u>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in		3,272,132	-	-	3,272,132
Operating transfers out	(352,123)	-	-	(8,068)	(360,191)
Total other financing sources(uses)	<u>(352,123)</u>	<u>3,272,132</u>	<u>-</u>	<u>(8,068)</u>	<u>2,911,941</u>
Net change in fund balance	(15,656)	-	18,591	82,310	85,245
Fund balance, July 1, 2021	<u>16,197</u>	<u>-</u>	<u>122,594</u>	<u>424,658</u>	<u>563,449</u>
Fund balance, June 30, 2022	<u>\$ 541</u>	<u>\$ -</u>	<u>\$ 141,185</u>	<u>\$ 506,968</u>	<u>\$ 648,694</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget to Actual – General Fund  
Year End June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 6,945,840	\$ 6,945,840	\$ 7,609,027	\$ 663,187
Earnings on investments	20,000	20,000	14,844	(5,156)
State sources	15,523,929	15,523,929	24,502,521	8,978,592
Federal sources	265,825	265,825	216,034	(49,791)
Other revenues	53,000	53,000	125,406	72,406
	<u>22,808,594</u>	<u>22,808,594</u>	<u>32,467,832</u>	<u>9,659,238</u>
<b>Expenditures</b>				
Instructional	12,740,537	12,740,537	18,103,661	(5,363,124)
Student support services	1,191,138	1,191,138	1,495,650	(304,512)
Staff support services	1,758,008	1,758,008	2,389,909	(631,901)
District administration	515,684	515,684	693,475	(177,791)
School administration	1,812,781	1,812,781	2,416,726	(603,945)
Business support services	427,342	427,342	577,970	(150,628)
Plant operation and maintenance	2,998,229	2,998,229	3,378,306	(380,077)
Student transportation	1,779,434	1,779,434	2,280,193	(500,759)
Food service operations	86,747	86,747	56,288	30,459
Contingency	1,183,408	1,183,408	-	1,183,408
Debt service	500,442	500,442	418,481	81,961
Other items	-	-	-	-
	<u>24,993,750</u>	<u>24,993,750</u>	<u>31,810,659</u>	<u>(6,816,909)</u>
Excess (deficit) of revenues over expenditures	<u>(2,185,156)</u>	<u>(2,185,156)</u>	<u>657,173</u>	<u>2,842,329</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	140,000	140,000	798,776	658,776
Operating transfers out	<u>(794,897)</u>	<u>(794,897)</u>	<u>(70,471)</u>	<u>724,426</u>
Total other financing sources (uses)	<u>(654,897)</u>	<u>(654,897)</u>	<u>728,305</u>	<u>1,383,202</u>
Net change in fund balance	(2,840,053)	(2,840,053)	1,385,478	4,225,531
Fund balance, July 1, 2021	<u>(1,793,756)</u>	<u>(1,793,756)</u>	<u>3,085,671</u>	<u>4,879,427</u>
Fund balance, June 30, 2022	<u>\$ (4,633,809)</u>	<u>\$ (4,633,809)</u>	<u>\$ 4,471,149</u>	<u>\$ 9,104,958</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget to Actual – Special Revenue Fund  
Year End June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>Revenues</b>				
State sources	\$ 1,643,546	\$ 1,643,546	\$ 1,573,056	\$ (70,490)
Federal sources	2,611,869	2,456,130	6,101,731	3,645,601
Other sources	117,599	77,500	103,000	25,500
	<u>4,373,014</u>	<u>4,177,176</u>	<u>7,777,787</u>	<u>3,600,611</u>
<b>Expenditures</b>				
Instruction	2,831,386	2,831,386	5,823,911	(2,992,525)
Student support services	428,763	428,763	389,131	39,632
Instruction staff support services	286,467	286,467	420,200	(133,733)
District admin support	-	-	-	-
Plant operation and maintenance	64,416	64,416	772,100	(707,684)
Student transportation	-	-	21,934	(21,934)
Community service operations	385,146	385,146	420,982	(35,836)
	<u>3,996,178</u>	<u>3,996,178</u>	<u>7,848,258</u>	<u>(3,852,080)</u>
Excess (deficit) of revenues over expenditures	<u>376,836</u>	<u>180,998</u>	<u>(70,471)</u>	<u>(251,469)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	54,227	313,128	70,471	(242,657)
	<u>54,227</u>	<u>313,128</u>	<u>70,471</u>	<u>(242,657)</u>
Net change in fund balance	431,063	494,126	-	(494,126)
Fund balance, July 1, 2021	-	-	-	-
Fund balance, June 30, 2022	<u>\$ 431,063</u>	<u>\$ 494,126</u>	<u>\$ -</u>	<u>\$ (494,126)</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget to Actual – Building Fund  
Year End June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 2,264,082	\$ 2,264,082	\$ 2,264,082	\$ -
Earnings on investments	30,000	30,000	5,045	(24,955)
State sources	<u>1,760,083</u>	<u>1,760,083</u>	<u>1,760,047</u>	<u>(36)</u>
Total revenues	<u>4,054,165</u>	<u>4,054,165</u>	<u>4,029,174</u>	<u>(24,991)</u>
<b>Expenditures</b>				
Contingency	<u>936,823</u>	<u>936,823</u>	<u>-</u>	<u>936,823</u>
Total expenditures	<u>936,823</u>	<u>936,823</u>	<u>-</u>	<u>936,823</u>
Excess (deficit) of revenues over expenditures	<u>3,117,342</u>	<u>3,117,342</u>	<u>4,029,174</u>	<u>911,832</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	<u>(3,117,342)</u>	<u>(3,117,342)</u>	<u>(4,341,912)</u>	<u>(1,224,570)</u>
Total other financing sources (uses)	<u>(3,117,342)</u>	<u>(3,117,342)</u>	<u>(4,341,912)</u>	<u>(1,224,570)</u>
Net change in fund balance	-	-	(312,738)	(312,738)
Fund balance, July 1, 2021	<u>-</u>	<u>-</u>	<u>419,583</u>	<u>419,583</u>
Fund balance, June 30, 2022	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 106,845</u></u>	<u><u>\$ 106,845</u></u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget to Actual – Construction Fund  
Year End June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Earnings on investments	\$ -	\$ -	\$ 2,062	\$ 2,062
State sources	<u>71,518</u>	<u>71,518</u>	<u>-</u>	<u>(71,518)</u>
Total revenues	<u>71,518</u>	<u>71,518</u>	<u>2,062</u>	<u>(69,456)</u>
<b>Expenditures</b>				
Contingency	10,257	10,256	-	10,256
Facility acquisition and construction	59,494	59,494	1,974,509	(1,915,015)
Debt service	<u>1,767</u>	<u>(52,772)</u>	<u>-</u>	<u>(52,772)</u>
Total expenditures	<u>71,518</u>	<u>16,978</u>	<u>1,974,509</u>	<u>(1,957,531)</u>
Excess (deficit) of revenues over expenditures	<u>-</u>	<u>54,540</u>	<u>(1,972,447)</u>	<u>(2,026,987)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	-	(54,540)	-	(54,540)
Operating transfers in	<u>-</u>	<u>-</u>	<u>797,839</u>	<u>797,839</u>
Total other financing sources (uses)	<u>-</u>	<u>(54,540)</u>	<u>797,839</u>	<u>743,299</u>
Net change in fund balance	-	-	(1,174,608)	(1,283,688)
Fund balance, July 1, 2021	<u>-</u>	<u>-</u>	<u>2,734,609</u>	<u>2,734,609</u>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,560,001</u>	<u>\$ 1,450,921</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
Bond and Interest Redemption Funds  
For the Year Ended June 30, 2022**

	<u>Issue of 2010R</u>	<u>Issue of 2013</u>	<u>Issue of 2014</u>	<u>Issue of 2015B</u>	<u>Issue of 2016</u>
<b>Cash at July 1, 2021</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Receipts:</b>					
Transfers and miscellaneous deposits	497,553	484,810	227,515	460,619	160,144
<b>Disbursements:</b>					
Bonds paid	475,000	445,000	70,000	275,000	75,000
Interest coupons	22,553	39,810	157,515	185,619	85,144
Total disbursements	497,553	484,810	227,515	460,619	160,144
Excess of receipts over disbursements	-	-	-	-	-
<b>Cash at June 30, 2022</b>	-	-	-	-	-
<b>Fund Balance at June 30, 2022</b>	\$ -	\$ -	\$ -	\$ -	\$ -

	<u>Issue of 2016R</u>	<u>Issue of 2017</u>	<u>Issue of 2020</u>	<u>Finance Lease Payments</u>	<u>Total</u>
<b>Cash at July 1, 2021</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Receipts:</b>					
Transfers and miscellaneous deposits	1,348,150	183,422	257,470	271,572	3,891,255
<b>Disbursements:</b>					
Bonds paid	1,085,000	70,000	85,000	247,787	2,827,787
Interest coupons	263,150	113,422	172,470	23,785	1,063,468
Total disbursements	1,348,150	183,422	257,470	271,572	3,891,255
Excess of receipts over disbursements	-	-	-	-	-
<b>Cash at June 30, 2022</b>	-	-	-	-	-
<b>Fund Balance at June 30, 2022</b>	\$ -	\$ -	\$ -	\$ -	\$ -



**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
Grant County High School Activity Fund  
For the Year Ended June 30, 2022**

	<b>Fund Balance July 1, 2021</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Fund Balance June 30, 2022</b>
Academic team	\$ 10	\$ 453	\$ 453	\$ 10
Advanced placement	885	5,110	5,655	340
Annual	9,347	7,466	6,578	10,235
Archery	7,337	3,787	3,265	7,859
Art	730	2,872	3,060	542
Athletic director	8,002	18,505	17,945	8,562
Auto Tech	341	2,673	2,678	336
Band	2,703	8,659	9,734	1,628
Baseball	1,327	3,858	5,085	100
Benevolence Fund	110	286	308	88
Biology field trip	1,337	1,302	2,165	474
Biomedical	860	2,378	3,220	18
BJ Toll scholarship	1,498	2,000	1,600	1,898
Book Club	384	-	-	384
Bookfund	8,122	49,553	56,317	1,358
Boy's basketball	23,589	56,494	60,246	19,837
Boys Build Grant	792	-	-	792
Boy's golf	6,943	9,647	7,728	8,862
Boy's soccer	1,731	7,326	7,794	1,263
Cheerleaders	99	3,905	1,793	2,211
Child development	575	1,817	2,330	62
Choir - Trip	8,918	2,295	3,433	7,780
Chorus	11,082	5,822	12,450	4,454
Chromebook Insurance	1,037	2,023	3,000	60
Cooking account	425	1,510	1,895	40
Cross country	14,108	13,039	11,326	15,821
Culinary café	6,012	2,078	2,355	5,735
Dance team	1,411	375	-	1,786
District Baseball	-	1,777	1,777	-
Electrical class	430	1,910	2,283	57
Engineering	238	822	990	70
Fast pitch softball	579	6,862	6,050	1,391
FCCLA	2,514	2,266	3,974	806
FFA Scholarship fund	-	49,785	-	49,785
Field trips	-	12,533	12,533	-
Football	4,743	20,326	12,606	12,463
Future business	138	1,199	1,307	30
Future Farmers of America	21,958	54,056	48,845	27,169
General	13,261	54,016	64,159	3,118
Girl's basketball	3,285	29,786	27,193	5,878
Girls' basketball - regional	-	25,634	25,634	-
Girl's golf	6,168	10,524	10,110	6,582
Girl's golf region 8	-	1,300	1,300	-
Girl's soccer	\$ 733	\$ 6,889	\$ 7,222	\$ 400
Guitar Class	60	177	150	87
Health Occupation	2,147	5,376	4,141	3,382

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balance  
Grant County High School Activity Fund (Continued)  
For the Year Ended June 30, 2022**

	<b>Fund Balance July 1, 2021</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Fund Balance June 30, 2022</b>
Health Sciences	486	3,134	3,176	444
Information Tech	380	1,315	1,600	95
JROTC	1	6,525	5,594	932
Lloyd Franks Scholarship	18,404	-	-	18,404
Locks	544	2,517	3,000	61
Marching band	7,443	11,995	11,000	8,438
Math	349	5,140	4,536	953
Media	479	-	65	414
MSD - Life Skills	210	53	118	145
Mu Alpha Theta	7	69	32	44
Musical Theatre	-	10,784	9,383	1,401
National Eng. Society	674	-	-	674
National honor society	457	1,525	1,492	490
Natl Art Honor Society	530	-	-	530
Parking stickers	49	1,345	500	894
PE Account	292	-	-	292
Pep club	681	-	-	681
Poetry out loud	150	-	-	150
Prom account	17,166	14,990	16,049	16,107
Regionals Fast Pitch	-	1,540	1,540	-
Relay for Life	1	62	-	63
Science	32	84	75	41
Senior class	2,948	14,650	14,098	3,500
Skills USA	23	4,547	4,524	46
Smoking	5,024	2,664	840	6,848
Social Studies	261	-	-	261
Sources of Strength	327	-	-	327
Spanish	86	-	-	86
Speech & drama	1,379	-	-	1,379
Start-Up \$ Fund	-	1,250	1,250	-
Student council	4,178	3,984	4,263	3,899
Student incentives	4,880	4,625	2,693	6,812
Teacher's lounge	1,407	3,363	4,004	766
Tech Student Assoc	1,489	587	1,050	1,026
Tennis	1,082	5,214	4,775	1,521
Track	5,231	8,970	8,068	6,133
Vex Robotics	2,285	-	1,570	715
Volleyball	3,341	5,026	4,623	3,744
Welding	1,867	9,181	10,571	477
Welding night class	-	11,055	11,055	-
Wrestling	2,524	6,852	5,516	3,860
York Scholarship Fund	-	26,726	-	26,726
Youth Service Center	453	1,625	1,346	732
Transfer	-	(94,013)	(94,013)	-
	<u>\$ 263,089</u>	<u>\$ 577,855</u>	<u>\$ 507,080</u>	<u>\$ 333,864</u>

**GRANT COUNTY SCHOOL DISTRICT**

**Statement of Receipts, Disbursements and Fund Balances  
School Activity Funds  
For the Year Ended June 30, 2022**

	<u>Grant County Middle School</u>	<u>Crittenden Mt. Zion Elementary</u>	<u>Dry Ridge Elementary</u>
Fund balances at July 1, 2021	\$ 54,410	\$ 27,253	\$ 58,371
Add: receipts	\$ 171,941	\$ 23,979	\$ 10,205
Less: disbursements	<u>\$ (164,860)</u>	<u>\$ (22,508)</u>	<u>\$ (5,873)</u>
Fund balance at June 30, 2022	<u><u>\$ 61,491</u></u>	<u><u>\$ 28,724</u></u>	<u><u>\$ 62,703</u></u>
	<u>Mason Corinth Elementary</u>	<u>Sherman Elementary</u>	<u>Total</u>
Fund balances at July 1, 2021	\$ 12,946	\$ 8,589	\$ 161,569
Add: receipts	\$ 16,234	\$ 2,743	\$ 225,102
Less: disbursements	<u>\$ (18,079)</u>	<u>\$ (2,247)</u>	<u>\$ (213,567)</u>
Fund balance at June 30, 2022	<u><u>\$ 11,101</u></u>	<u><u>\$ 9,085</u></u>	<u><u>\$ 173,104</u></u>

## GRANT COUNTY SCHOOL DISTRICT

### Schedule of the District's Proportionate Share of the Net Pension Liability - TRS

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0	*	*
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	*	*
State's proportionate share of the net pension liability associated with the District	<u>59,417,141</u>	<u>64,002,794</u>	<u>61,490,556</u>	<u>60,326,442</u>	<u>128,912,489</u>	<u>140,468,255</u>	<u>111,448,224</u>	<u>95,782,876</u>	<u>*</u>	<u>*</u>
Total	<u>\$ 59,417,141</u>	<u>\$ 64,002,794</u>	<u>\$ 61,490,556</u>	<u>\$ 60,326,442</u>	<u>\$ 128,912,489</u>	<u>\$ 140,468,255</u>	<u>\$ 111,448,224</u>	<u>\$ 95,782,876</u>	<u>*</u>	<u>*</u>
District's covered-employee payroll	\$ 14,263,579	\$ 15,342,810	\$ 14,922,576	\$ 12,484,892	\$ 15,399,878	\$ 15,413,564	\$ 14,992,077	\$ 14,604,761	\$ 14,616,767	\$ 12,678,958
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	*	*
Plan fiduciary net position as a percentage of the total pension liability	65.59%	58.27%	58.76%	59.27%	39.83%	35.22%	42.49%	45.59%	*	*

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*Changes of benefit terms:* None

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

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

*Changes of assumption:* In the 2016 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2016 valuation, the Assumed Salary Scale, Price Inflation, and Wage Inflation were adjusted to reflect a decrease. In addition, the calculation for the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.88% to 4.20%.

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

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

**GRANT COUNTY SCHOOL DISTRICT**  
**Schedule of District Contributions - TRS**

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 607,987	\$ 594,540	\$ 612,395	\$ 575,561	\$ 478,118	\$ 604,019	\$ 621,542	\$ 476,653	\$ 341,476	\$ 272,544
Contributions in relation to the contractually required contribution	<u>(607,987)</u>	<u>(594,540)</u>	<u>(612,395)</u>	<u>(575,561)</u>	<u>(478,118)</u>	<u>(604,019)</u>	<u>(621,542)</u>	<u>(476,653)</u>	<u>(341,476)</u>	<u>(272,544)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 15,574,477	\$ 14,263,579	\$ 15,342,810	\$ 14,922,576	\$ 12,484,892	\$ 15,399,878	\$ 15,413,564	\$ 14,992,077	\$ 14,604,761	\$ 14,616,767
Contributions as a percentage of covered-employee payroll	3.90%	4.17%	3.99%	3.86%	3.83%	3.92%	4.03%	3.18%	2.34%	1.86%

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## GRANT COUNTY SCHOOL DISTRICT

### Schedule of the District's Proportionate Share of the Net Pension Liability - CERS

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of net pension liability	0.191317%	0.208162%	0.215012%	0.221908%	0.221831%	0.219630%	0.215302%	0.218951%	*	*
District's proportionate share of the net pension liability	\$ 12,197,959	\$ 15,965,853	\$ 15,121,890	\$ 13,514,874	\$ 12,984,450	\$ 10,813,765	\$ 9,256,964	\$ 7,104,000	*	*
Total net pension liability	\$ 6,375,784,388	\$ 7,669,917,211	\$ 7,033,044,502	\$ 6,090,304,793	\$ 5,853,307,482	\$ 4,923,618,237	\$ 4,299,525,565	\$ 3,244,377,000	*	*
District's covered-employee payroll	\$ 5,142,262	\$ 5,047,108	\$ 5,380,237	\$ 5,514,777	\$ 5,511,734	\$ 5,407,892	\$ 5,271,311	\$ 5,073,371	\$ 5,055,996	\$ 5,024,511
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	237.2%	296.7%	274.2%	245.2%	240.1%	205.1%	182.5%	140.5%	*	*
Plan fiduciary net position as a percentage of the total pension liability	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%	*	*

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

2014: As cash balance plan was introduced for member whose participation date is on or after January 1, 2014.

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

2015

- The assumed investment rate of return decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females).
- For disabled members, the RP-2000 Combined Disability Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement
- There is some margin in the current mortality tables for possible future improvement in the mortality rates and that margin will be reviewed again when the next experience investigation conducted.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2017

- The assumed investment rate of return was decreased from 7.5% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- The assumed rate of salary growth was reduced from 4.00% to 3.05%.

**GRANT COUNTY SCHOOL DISTRICT**  
**Schedule of District Contributions - CERS**

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,385,834	\$ 1,210,245	\$ 1,293,260	\$ 1,200,732	\$ 1,056,896	\$ 1,010,522	\$ 899,417	\$ 893,951	\$ 955,078	\$ 982,292
Contributions in relation to the contractually required contribution	<u>(1,385,834)</u>	<u>(1,210,245)</u>	<u>(1,293,260)</u>	<u>(1,200,732)</u>	<u>(1,056,896)</u>	<u>(1,010,522)</u>	<u>(899,417)</u>	<u>(893,951)</u>	<u>(955,078)</u>	<u>(982,292)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,142,262	\$ 5,047,108	\$ 5,380,237	\$ 5,514,777	\$ 5,511,734	\$ 5,407,892	\$ 5,271,311	\$ 5,073,371	\$ 5,055,996	\$ 5,024,511
Contributions as a percentage of of covered-employee payroll	26.95%	23.98%	24.04%	21.77%	19.18%	18.69%	17.06%	17.62%	18.89%	19.55%

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**GRANT COUNTY SCHOOL DISTRICT**

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the collective trust OPEB liability	0%	0%	0%	0%	0%	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	<u>56,000</u>	<u>147,000</u>	<u>132,000</u>	<u>121,000</u>	<u>98,000</u>	*	*	*	*	*
Total net OPEB liability	\$ 56,000	\$ 147,000	\$ 132,000	\$ 121,000	\$ 98,000	*	*	*	*	*
District's covered-employee payroll	\$ 14,263,579	\$ 15,342,810	\$ 15,342,810	\$ 12,484,892	\$ 15,399,878	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	89.15%	71.57%	73.40%	74.97%	79.99%	*	*	*	*	*

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*Changes of benefit terms* - None.

*Methods and assumptions used in the actuarially determined contributions* - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2021:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	26 Years
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.45%
Discount rate	7.50%



**GRANT COUNTY SCHOOL DISTRICT**

**Schedule of District Contributions - LIF**

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	-	*	*	*	*	*	*
Contribution deficiency	-	-	-	-	*	*	*	*	*	*
District's covered-employee payroll	\$ 15,574,477	\$ 14,263,579	\$ 15,342,810	\$ 14,922,576	\$ 12,484,892	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	*	*	*	*	*

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

**GRANT COUNTY SCHOOL DISTRICT**

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

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the collective trust OPEB liability	0.241935%	0.241105%	0.239590%	0.236639%	0.449036%	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 5,191,000	\$ 6,085,000	\$ 7,012,000	\$ 8,211,000	\$ 8,956,000	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	\$ 4,216,000	\$ 4,874,000	\$ 5,663,000	\$ 7,076,000	\$ 7,316,000	*	*	*	*	*
Total net OPEB liability	\$ 9,407,000	\$ 10,959,000	\$ 12,675,000	\$ 15,287,000	\$ 16,272,000	*	*	*	*	*
District's covered-employee payroll	\$ 5,142,262	\$ 5,047,108	\$ 5,380,237	\$ 5,511,734	\$ 5,407,892	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	100.9%	120.6%	130.3%	149.0%	165.6%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	51.74%	39.05%	32.58%	25.54%	21.18%	*	*	*	*	*

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The Health Trust is not funded based on actuarially determined contribution, but instead is funded based on statutorially determined amounts as noted in the assumed asset allocation for MIF.

*Methods and assumptions used in the actuarially determined contributions* - The actuarially determined contributions rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	21 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Health care cost trends	
Under 65	7.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2029
Ages 65 and older	5.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2022
Medicare Part B premiums	0.49% for FY 2020 with an ultimate rate of 5.00% by 2032
Under age 65 claims	The current premium charged by KEHP is used as the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

**GRANT COUNTY SCHOOL DISTRICT**  
**Schedule of District Contributions - MIF**

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 429,436	\$ 425,808	\$ 417,192	\$ 421,529	\$ 430,308	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(429,436)</u>	<u>(425,808)</u>	<u>(417,192)</u>	<u>(421,529)</u>	<u>(430,308)</u>	*	*	*	*	*
Contribution deficiency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	*	*	*	*	*
District's covered-employee payroll	\$ 5,142,262	\$ 5,047,108	\$ 5,380,237	\$ 5,514,777	\$ 5,511,734	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	8.35%	8.44%	7.75%	7.64%	7.81%	*	*	*	*	*

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The Health Trust is not funded based on actuarially determined contribution, but instead is funded based on statutorially determined amounts as noted in the assumed asset allocation for MIF.

*Methods and assumptions used in the actuarially determined contributions* - The actuarially determined contributions rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	21 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Health care cost trends	
Under 65	7.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2029
Ages 65 and older	5.25% for FY 2020 decreasing to an ultimate rate of 5.00% by FY 2022
Medicare Part B premiums	0.49% for FY 2020 with an ultimate rate of 5.00% by 2032
Under age 65 claims	The current premium charged by KEHP is used as the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

**GRANT COUNTY SCHOOL DISTRICT**

**Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF (CERS)**

	Last 10 Fiscal Years*									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the collective trust OPEB liability	0.191272%	0.208115%	0.214957%	0.221900%	0.221831%	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	\$ 3,661,807	\$ 5,025,344	\$ 3,615,480	\$ 3,939,790	\$ 4,459,562	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District		\$ -	\$ -	\$ -	\$ -	*	*	*	*	*
Total net OPEB liability	\$ 3,661,807	\$ 5,025,344	\$ 3,615,480	\$ 3,939,790	\$ 4,459,562	*	*	*	*	*
District's covered-employee payroll	\$ 5,142,262	\$ 5,047,108	\$ 5,380,237	\$ 5,511,734	\$ 5,407,892	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	71.2%	99.6%	67.2%	71.5%	82.5%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	62.91%	51.67%	60.44%	57.62%	52.40%	*	*	*	*	*

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*Changes in assumptions: None*

2018: Updated health care trend rates were implemented.

**GRANT COUNTY SCHOOL DISTRICT**  
**Schedule of District Contributions – MIF (CERS)**

	Last 10 Fiscal Years*									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 232,609	\$ 253,822	\$ 285,277	\$ 258,499	\$ 255,470	*	*	*	*	*
Contributions in relation to the contractually required contribution	<u>(232,609)</u>	<u>(253,822)</u>	<u>(285,277)</u>	<u>(258,499)</u>	<u>(255,470)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Contribution deficiency	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          *</u>	<u>          *</u>	<u>          *</u>	<u>          *</u>	<u>          *</u>
District's covered-employee payroll	\$ 5,142,262	\$ 5,047,108	\$ 5,380,237	\$ 5,514,777	\$ 5,511,734	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	4.52%	5.03%	5.30%	4.69%	4.64%	*	*	*	*	*

\* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

**GRANT COUNTY SCHOOL DISTRICT**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Agreement Number</u>	<u>Federal Expenditures for FYE June 30, 2022</u>
<b><u>U.S. Department of Education</u></b>			
<b><i>Passed through Kentucky Department of Education</i></b>			
Special Education Cluster			
Special Education_Grants to States	84.027	H027A190032	\$ 23,449
Special Education_Grants to States	84.027	H027A200032	298,711
Special Education_Grants to States	84.027	H027A210032	442,643
Special Education_Preschool Grants	84.173	H173A190035	13,998
Special Education_Preschool Grants	84.173	H173A200035	<u>18,736</u>
Total Special Education Cluster			<u>797,537</u>
Career and Technical Education - Basic Grants to States - ARRA	84.048A	V048A190017	5,500
Career and Technical Education - Basic Grants to States - ARRA	84.048A	V048A200017	<u>59,846</u>
Total Assistance Listing #84.048			<u>65,346</u>
Title I Grants to Local Educational Agencies	84.010	S010A190017	615,421
Title I Grants to Local Educational Agencies	84.010	S010A200017	<u>755,128</u>
Total Assistance Listing #84.010			<u>1,370,549</u>
English Language Acquisition State Grants	84.365	S365A200017	3,784
English Language Acquisition State Grants	84.365	S365A210017	<u>11,253</u>
Title II Improving Teacher Quality State Grants	84.367	S367A200016	147,722
Title IV, Part A - Student Support and Academic Enrichment	84.424	S424A190018	1,396
Title IV, Part A - Student Support and Academic Enrichment	84.424	S424A200018	46,748
Title IV, Part A - Student Support and Academic Enrichment	84.424	S424A210018	<u>33,410</u>
Total Assistance Listing #84.365			<u>81,554</u>
CARES Act Education Stabilization Funds - ESSER II	84.425	42000002-20	1,924,230
CARES Act Education Stabilization Funds	84.425	40000002-20	265,360
CARES Act Education Stabilization Funds - GEERS II	84.425	CARES - 20	44,621
Cares Act Education Stabilization Funds - ESSER III	84.425	40000003-20	<u>1,184,462</u>
Total Assistance Listing #84.365			<u>3,418,673</u>
ARP IDEA	84.027	H027A220032	70,818
ARP IDEA	84.173	H173A220035	<u>21,249</u>
Total Assistance Listing ARP IDEA			92,067
<b>Total U.S. Department of Education</b>			<u><b>5,988,485</b></u>
<b><u>U.S Department of Health and Human Services</u></b>			
<b><i>Direct Federal Program</i></b>			
Substance Abuse and Mental Health Services Projects of Regional National Significance	93.243	1H79SP021569-01	<u>96,839</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>96,839</b></u>
<b><u>U.S. Department of Agriculture</u></b>			
Child Nutrition Cluster			
<b><i>Passed through Kentucky Department of Education</i></b>			
National School Lunch Program	10.555	7750002 20	278,699
National School Lunch Program	10.555	7750002 21	1,307,158
National School Lunch Program	10.555	7750002 22	88,804
School Breakfast Program	10.553	7760005 21	88,409
School Breakfast Program	10.553	7760005 22	438,890
Summer Food Service Program for Children	10.559	7690024 21	19,072
Summer Food Service Program for Children	10.559	7740023 20	<u>186,002</u>
			2,407,034
<b><i>Passed through Kentucky Department of Agriculture</i></b>			
National School Lunch Program - Food Donation	10.555	4002088	236,997
State Pandemic Electronic Benefit Transfer	10.649	9990000 21	<u>3,063</u>
Total Child Nutrition Cluster			<u>2,647,094</u>
Child and Adult Care Food Program	10.558	7790021 20	56,071
Child and Adult Care Food Program	10.558	7800016 20	<u>3,983</u>
Total Assistance Listing #10.558			<u>60,054</u>
<b>Total U.S. Department of Agriculture</b>			<u><b>2,707,148</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 8,792,472</b></u>

**GRANT COUNTY SCHOOL DISTRICT**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Grant County School District under programs of the federal government for the year ended June 30, 2022, and is reported on the accrual basis of accounting. 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 Grant County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. 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 a reimbursement.

**NOTE 3 FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2022, the District reported food commodities expended in the amount of \$236,997.

**NOTE 4 INDIRECT COST RATE**

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

**NOTE 5 SUBRECIPIENTS**

The District did not have any subrecipients during the year ended June 30, 2022.

**INDEPENDENT AUDITORS' 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 Members of the Board of Education  
Grant County School District  
Williamstown, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Grant County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Grant County School District's basic financial statements, and have issued our report thereon dated December 15, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Grant County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings questioned costs as items.



**INDEPENDENT AUDITORS' 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**

(Continued)

**Grant County School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Grant County School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Grant County 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.

We noted other matters that we reported to management of the District on page 84 to 87.

**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.



Crestview Hills, Kentucky  
December 15, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Members of the Board of Education  
Grant County School District  
Williamstown, Kentucky

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

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

We have audited Grant County School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Grant County School District's major federal programs for the year ended June 30, 2022. Grant County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Grant County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

***Responsibilities of Management for Compliance***

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

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

(Continued)

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

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

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

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-01 and 2022-02. Our opinion on each major federal program is not modified with respect to these matters.

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

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

(Continued)

**Report on Internal Control Over Compliance**

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.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-01 and 2022-02 to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Grant County School District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Grant County School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Crestview Hills, Kentucky  
December 15, 2022

**GRANT COUNTY SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2022**

**SECTION I -SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_   X   Yes \_\_\_\_\_ None noted

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_   X   Yes \_\_\_\_\_ None noted

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes   X   No

***Identification of major programs***

CFDA No.	Name of Federal Program or Cluster
84.027/84.173 84.425	Special Education Cluster Education Stabilization Funds

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

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   Yes \_\_\_\_\_ No

**GRANT COUNTY SCHOOL DISTRICT**

**Management Letter Comments  
For the Year Ended June 30, 2022**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2022-01 – Controls surrounding payroll**

**Criteria:** The District is responsible for establishing and following controls that prevent, detect and correct errors in a timely manner.

**Condition and Context:** During the course of the audit, we identified errors in controls surrounding payroll that was not identified and rectified by the district. The errors resulted in one employee being overpaid. This employee's timecard indicated that they worked less hours than they were actually paid.

**Effect:** Error in payments of wages that did not match a timecard.

**Cause:** Lack of review of internal controls surrounding payroll, including reviewing timecards and the actual payroll for discrepancies.

**Recommendation:** Secondary review of payroll internal controls in conjunction with the normal payroll process, ensuring that employees are paid the appropriate amount each pay period.

**Views of Responsible Officials and Planned Corrective Actions:** The District office will review internal controls surrounding payroll to ensure that pay to employees is in conjunction with weekly timecards.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST**

**2022-02 – Controls surrounding payroll**

**Criteria:** The District is responsible for establishing and following controls that prevent, detect and correct errors in a timely manner.

**Condition and Context:** During the course of the audit, we identified errors in controls surrounding payroll that was not identified and rectified by the district. The errors resulted in one employee being overpaid and another employee being underpaid. A technology error led to one employee being underpaid, and a timecard error led to another employee being overpaid.

**Effect:** Error in payments of wages that did not match a timecard and an employee's contracted rate.

**Cause:** Lack of review of internal controls surrounding payroll, including reviewing timecards and the MUNIS system for payroll discrepancies.

**Recommendation:** Secondary review of payroll internal controls in conjunction with the normal payroll process, ensuring that employees are paid the appropriate amount each pay period.

**Views of Responsible Officials and Planned Corrective Actions:** The District office will review internal controls surrounding payroll to ensure that pay to employees is in conjunction with contracted rates and weekly timecards.

**GRANT COUNTY SCHOOL DISTRICT**

**Summary Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2022**

**SECTION I -SUMMARY OF PRIOR YEAR AUDITOR'S RESULTS**

No matters are reportable

**SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

No matters are reportable

**SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST**

No matters are reportable

## GRANT COUNTY SCHOOL DISTRICT

### Management Letter Comments For the Year Ended June 30, 2022

In planning and performing our audit of the financial statements of Grant County School District for the year ended June 30, 2022, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

This letter summarizes our comments and suggestions regarding those matters. A separate report dated December 15, 2022 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated December 15, 2022, on the financial statements of the Grant County School District.

#### **CURRENT YEAR RECOMMENDATIONS**

##### **CENTRAL OFFICE**

No matters are reportable

##### **ACTIVITY FUNDS**

##### **GRANT COUNTY HIGH SCHOOL**

###### **2022-03: Multiple receipt forms**

Criteria – Per best practices recommended by the Kentucky Department of Education, multiple receipt forms should be signed by students and faculty when money is turned into the school.

Condition – During the testing of Activity Funds, it was noted that faculty members receiving money were not signing the multiple receipt form, indicating that they were the ones who received money from a student.

Effect – Proper procedures over reporting were not properly followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend that all students and the faculty sign multiple receipt forms when turning in money.

Board Response – The school faculty will require signatures by both parties on multiple receipt forms.

##### **GRANT COUNTY MIDDLE SCHOOL**

###### **2022-04: Negative account balance**

Criteria – Per best practices recommended by the Kentucky Department of Education, individual school activity accounts should not end the fiscal year with a negative (deficit) balance.

Condition – During the testing of Activity Funds, it was noted that two individual school accounts had a negative (deficit) balance at the end of the fiscal year.

Effect – Proper procedures over reporting were not properly followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend that the school bookkeeper and principal review all accounts at fiscal year end to ensure that there are no negative (deficit) balances. If an activity account ends with a negative balance, then the general activity account must cover the deficit by June 30.



**GRANT COUNTY SCHOOL DISTRICT**

**Management Letter Comments (Continued)  
For the Year Ended June 30, 2022**

**CURRENT YEAR RECOMMENDATIONS (CONTINUED)**

Board Response – The school bookkeeper noted that there was a disbursement that was coded to the incorrect account resulting in a negative (deficit) balance. The disbursement was coded to the correct account in the following fiscal year. The school bookkeeper and the principal will review the Annual Financial Report for any negative balances.

**2022-05: Untimely review of annual financial report**

Criteria -- Per best practices recommended by the Kentucky Department of Education, the Annual Financial Report should be filed by July 25.

Condition – During the testing of the Activity Funds, it was noted that the Annual Financial Report was not complete by July 25.

Effect – Timeliness of Annual Financial Report filing not followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend that the Annual Financial Report be filed within 25 days of year-end

Board Response – The deadlines of reports that are due from the school have been reviewed with school administration and school bookkeeper. Expectations have been discussed and the annual financial report will be submitted within 25 days of year-end.

**CRITTENDEN-MT. ZION ELEMENTARY**

No matters are reportable

**DRY RIDGE ELEMENTARY**

**2022-06: Untimely review of annual financial report**

Criteria -- Per best practices recommended by the Kentucky Department of Education, the Annual Financial Report should be filed by July 25.

Condition – During the testing of the Activity Funds, it was noted that the Annual Financial Report was not complete by July 25.

Effect – Timeliness of Annual Financial Report filing not followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend that the Annual Financial Report be filed within 25 days of year-end

Board Response – The deadlines of reports that are due from the school have been reviewed with school administration and school bookkeeper. Expectations have been discussed and the annual financial report will be submitted within 25 days of year-end.

**2022-07: Invoices not marked paid**

Criteria – Per best practices recommended by the Kentucky Department of Education, invoices shall be marked paid and be stapled to the purchase order and check stub.

**GRANT COUNTY SCHOOL DISTRICT**

**Management Letter Comments (Continued)  
For the Year Ended June 30, 2022**

**CURRENT YEAR RECOMMENDATIONS (CONTINUED)**

Condition – During the testing of Activity Funds, it was noted that checks did not have the invoice marked as paid.

Effect – Proper procedures over reporting were not properly followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend that invoices get marked paid after the check is printed. Invoices can also be marked with the check number and the date paid for more documentation in order to prevent paying the same invoice twice.

Board Response – The school bookkeeper and the principal will review all invoices upon check issuance to ensure that invoices are marked paid with the date the check was issued.

**MASON-CORINTH ELEMENTARY**

**2022-08: Monthly financial report unsigned by principal**

Criteria -- Per best practices recommended by the Kentucky Department of Education, monthly financial reports should be signed by the principal and submitted to the finance officer.

Condition – During the testing of the Activity Funds, it was noted that a Monthly Financial Report was not signed by the principal.

Effect – Completion of Monthly Financial Report filing not followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend that the Monthly Financial Report be signed by both the principal and the bookkeeper

Board Response – The filing of reports that are due from the school have been reviewed with school principal and school bookkeeper. Expectations have been discussed and the monthly/annual financial reports will be signed timely by both the principal and bookkeeper.

**SHERMAN ELEMENTARY**

**2022-09: Untimely review of annual financial report**

Criteria -- Per best practices recommended by the Kentucky Department of Education, the Annual Financial Report should be filed by July 25.

Condition – During the testing of the Activity Funds, it was noted that the Annual Financial Report was not complete by July 25.

Effect – Timeliness of Annual Financial Report filing not followed.

Cause – Internal controls were not properly followed as designed by the District.

Recommendation – We recommend that the Annual Financial Report be filed within 25 days of year-end

Board Response – The deadlines of reports that are due from the school have been reviewed with school administration and school bookkeeper. Expectations have been discussed and the annual financial report will be submitted within 25 days of year-end.

**GRANT COUNTY SCHOOL DISTRICT**

**Management Letter Comments (Continued)  
For the Year Ended June 30, 2022**

**STATUS OF PRIOR YEAR RECOMMENDATIONS**

**CENTRAL OFFICE**

No matters are reportable

**ACTIVITY FUNDS**

**GRANT COUNTY HIGH SCHOOL**

No matters are reportable

**GRANT COUNTY MIDDLE SCHOOL**

No matters are reportable

**CRITTENDEN-MT. ZION ELEMENTARY**

No matters are reportable

**DRY RIDGE ELEMENTARY**

No matters are reportable

**MASON-CORINTH ELEMENTARY**

No matters are reportable

**SHERMAN ELEMENTARY**

No matters are reportable