

**GRANT COUNTY
SCHOOL DISTRICT**

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

For the year ended June 30, 2025

Prepared by:

WHITE & ASSOCIATES, PSC
CERTIFIED PUBLIC ACCOUNTANTS
1407 Lexington Road
Richmond, Kentucky 40475
Phone (859) 624-3926 Fax (859) 625-0227

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INDEPENDENT AUDITOR'S REPORT

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

And the State Committee for School District Audits

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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter — Change in Accounting Principle

As described in Note A to the financial statements, during the fiscal year ended June 30, 2025, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. The adoption of this statement resulted in a significant change in the method of calculating and reporting the District's compensated absences liability and affected the comparability of the financial statements with those of prior periods. Our opinion is not modified with respect to this matter.

Correction of a Material Misstatement in Prior Period Financial Statements

As discussed in Note P to the financial statements, a material prior period adjustment was made to the governmental activities net position to correct an error in the prior period financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of the District's Proportionate Share of the Net Pension and OPEB Liability and Schedule of Contributions for CERS and TRS and Medical and Life and Health Insurance Plans comparison information as listed in the table of contents be

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, 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 the 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 Grant County School District's internal control over financial reporting and compliance.

White & Associates, PSC

Richmond, Kentucky
December 31, 2025

**GRANT COUNTY SCHOOL DISTRICT-WILLIAMSTOWN, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

As management of the Grant County School District (District), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- Finished the year with a General Fund balance of \$4.09 million.
- Excluding other financing sources and uses, the General Fund revenue was \$33.75 million which primarily consisted of the SEEK program, property, utility and motor vehicle taxes. Excluding other financing sources and uses, General Fund expenditures totaled \$35.61 million.
- Beginning net position was restated as of July 1, 2024 due to the implementation of GASB Statement No. 101, Compensated Absences, which resulted in a \$ 1,358,197 decrease in beginning net position.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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 assets. 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 government-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.

Refer to the table of contents to find the government-wide financial statements.

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

**GRANT COUNTY SCHOOL DISTRICT-WILLIAMSTOWN, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

requirements. All the funds of the District can be divided into three categories: governmental, 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. All other activities of the district are included in the governmental funds.

Refer to the table of contents to find the basic governmental fund financial statements.

The implementation of GASB Statement No. 101 did not have a material impact on the District’s governmental fund balances, as the standard primarily affects long-term liabilities reported in the government-wide financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. To find the notes to the financial statements please refer to the table of contents.

GOVERNMENT-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, the ending net position was \$24.93 million as of June 30, 2025.

The largest portion of the District’s net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are 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.

The District’s government-wide financial information for fiscal year 2025 reflects the implementation of GASB Statement No. 101, Compensated Absences. This standard was applied retroactively and resulted in a restatement of beginning net position as of July 1, 2024. As a result, comparisons between fiscal years should be made with consideration of this accounting change.

2025 District-Wide Governmental Net position compared to 2024 as follows:

SEE CHART ON NEXT PAGE

**GRANT COUNTY SCHOOL DISTRICT-WILLIAMSTOWN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

**Table 1
Net Position
\$ (in Millions)**

	Governmental Activities		Business-type Activities		Totals	
	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Current assets	\$ 23.31	\$ 13.11	\$ 1.76	\$ 1.25	\$ 25.07	\$ 14.36
Non-current assets	64.19	75.30	1.11	1.33	65.30	76.63
Total assets	87.50	88.41	2.87	2.58	90.37	90.99
Deferred outflows	8.44	8.14	0.25	0.30	8.69	8.44
Current liabilities	5.28	5.43	-	-	5.28	5.43
Non-current liabilities	58.48	57.94	0.62	0.73	59.10	58.67
Total liabilities	63.76	63.37	0.62	0.73	64.38	64.10
Deferred inflows	11.83	10.06	0.39	0.36	12.22	10.42
Net position:						
Invested in capital assets, net of debt	20.40	33.80	1.09	1.31	21.49	35.11
Restricted	17.82	7.68	1.01	0.48	18.83	8.17
Unrestricted (deficit)	(17.86)	(18.35)	-	-	(17.86)	(18.35)
Total net position	\$ 20.36	\$ 23.13	\$ 2.10	\$ 1.79	\$ 22.46	\$ 24.93

The increase in noncurrent liabilities and the resulting decrease in unrestricted net position are primarily attributable to the recognition of additional compensated absences liabilities required under GASB Statement No. 101. This increase does not represent new debt or a deterioration in current-year operating performance.

GOVERNMENTAL ACTIVITIES

Ending net position was \$24.93 million for the District.

SEE CHART ON NEXT PAGE

**GRANT COUNTY SCHOOL DISTRICT-WILLIAMSTOWN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

**Table 2
Changes in Net Position
(in millions)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2024-2025
	2024	2025	2024	2025	2024	2025	
Revenues:							
Charges for services	\$ 0.91	\$ 0.80	\$ 0.23	\$ 0.27	\$ 1.14	\$ 1.07	-6%
Operating grants and contributions	18.23	14.73	3.67	3.42	21.90	18.15	-17%
Capital grants and contributions	2.60	3.30	-	-	2.60	3.30	0%
General revenues	27.12	28.17	(0.20)	(0.22)	26.92	27.95	4%
Total revenue	48.86	47.00	3.70	3.46	52.56	50.46	-4%
Expenses:							
Instruction	\$ 25.53	\$ 22.38	\$ -	\$ -	\$ 25.53	\$ 22.38	-12%
Student	2.01	3.10	-	-	2.01	3.10	54%
Instructional staff	3.64	2.75	-	-	3.64	2.75	-24%
District administration	1.67	0.78	-	-	1.67	0.78	-53%
School administration	2.51	2.57	-	-	2.51	2.57	2%
Business	0.63	0.63	-	-	0.63	0.63	0%
Plant operation & maintenance	4.89	4.44	-	-	4.89	4.44	-9%
Student transportation	2.72	2.60	-	-	2.72	2.60	-4%
Community services operations	0.45	0.45	0.06	0.04	0.51	0.49	-4%
Food Service Operations	0.11	0.08	3.42	3.61	3.53	3.69	5%
Depreciation/Amortization	1.71	1.55	0.12	0.10	1.83	1.65	-10%
Interest on long-term debt	1.14	1.34	-	-	1.14	1.34	18%
Total Expenses	\$ 47.01	\$ 42.67	\$ 3.60	\$ 3.75	\$ 50.61	\$ 46.42	-8%
Change in net position	\$ 1.85	\$ 4.33	\$ 0.10	\$ (0.29)	\$ 1.95	\$ 4.04	107%

Beginning net position was restated due to the implementation of GASB Statement No. 101, Compensated Absences, which requires governments to recognize compensated absences using a more consistent measurement approach and to record liabilities for leave that is attributable to services already rendered and is more likely than not to be used or paid.

GASB Statement No. 101 was implemented retroactively, resulting in an adjustment to beginning net position to reflect the updated recognition and measurement requirements. As a result of this implementation, beginning net position decreased by \$1,358,197 resulting from the retroactive implementation of GASB Statement No. 101. Excluding the impact of this accounting change, the District's financial results remained relatively consistent with prior year operations.

This restatement did not impact current-year operating results but affects the comparability of financial information between periods. Additional information regarding this restatement can be found in Note P to the financial statements.

CAPITAL ASSETS

At the end of fiscal 2025, the District had \$76.26 million invested in capital assets (net of depreciation), including land, buildings, buses, computers and other equipment. This amount represents an increase (including additions and deductions) of \$11,226,977 from prior year.

**GRANT COUNTY SCHOOL DISTRICT-WILLIAMSTOWN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

	Capital Assets at Year-End \$ (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Totals	
	2024	2025	2024	2025	2024	2025
Land	\$ 2,510,500	\$ 2,510,500	\$ -	\$ -	\$ 2,510,500	\$ 2,510,500
Land Improvements	48,752	35,488	-	-	48,752	35,488
Buildings	41,538,268	53,923,124	949,660	872,672	42,487,928	54,795,796
Technology	2,176	2,177	701	700	2,877	2,877
Vehicles	1,772,577	2,573,122	-	62,165	1,772,577	2,635,287
General Equipment	41,191	32,378	143,057	379,344	184,248	411,722
Construction in Progress	18,015,529	15,728,018	-	-	18,015,529	15,728,018
Financed Purchases	8,556	138,256	-	-	8,556	138,256
Totals	\$ 63,937,549	\$ 74,943,063	\$1,093,418	\$1,314,881	\$ 65,030,967	\$ 76,257,944

DEBT

Finance purchase obligations and general obligation debt decreased \$2.39 million from FY 2024.

	Outstanding Debt at Year-End	
	Government Activities	
	2024	2025
General Obligation Bonds	\$ 42,518,648	\$ 39,467,934
Finance Purchased Obligations	1,020,660	1,679,680
Total Obligations	\$ 43,539,308	\$ 41,147,614

THE DISTRICT'S FUNDS

As the District completed the year, its General Fund reflected a fund balance of \$4,093,135 million, which is an increase of \$108,171 from the prior year. The unassigned portion of the ending fund balance for fiscal year 2025 was \$3,855,233, compared to the unassigned balance of \$3,743,748 from the preceding year.

The following table presents a summary of revenue and expense for the District as a whole for the fiscal year ended June 30, 2025:

*Note: This chart does not include beginning balances.

SEE CHART ON NEXT PAGE

**GRANT COUNTY SCHOOL DISTRICT-WILLIAMSTOWN, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2025**

REVENUES	Fund 1	Fund 2	Fund 310	Fund 320	Fund 360	Fund 400	Fund 51
Local Revenue Sources	\$ 9,399,161	\$ 102,667	\$ 412	\$2,716,987	\$ 572,982	\$ -	\$ 224,466
State Revenue Sources	24,141,995	1,849,041	293,565	2,620,195	-	395,410	71,555
Federal Revenue Sources	208,163	3,589,012	-	-	-	-	3,344,897
Other	844,103	-	-	-	-	-	3,023
Transfers	1,781,178	64,525	-	-	71,518	-	-
TOTALS	\$ 36,374,600	\$5,605,245	\$ 293,977	\$5,337,182	\$ 644,500	\$ 395,410	\$3,643,941
EXPENDITURES	Fund 1	Fund 2	Fund 310	Fund 320	Fund 360	Fund 400	Fund 51
Instruction	\$ 18,766,256	\$4,473,294	\$ -	\$ -	\$ -	\$ -	\$ -
Student Support Services	2,060,591	318,735	-	-	-	-	-
Instructional Staff Support Services	2,361,170	389,730	-	-	-	-	-
District Admin Support	773,583	7,890	-	-	-	-	-
School Admin Support	2,573,211	-	-	-	-	-	-
Business Support Services	626,436	-	-	-	-	-	-
Plant Operation & Management	4,378,895	63,382	-	-	-	-	-
Student Transportation	3,465,503	10,043	-	-	-	-	-
Food Service Operations	85,324	-	-	-	-	-	3,603,472
Day Care Operations	-	-	-	-	-	-	-
Community Services	3,232	449,923	-	-	-	-	-
Debt Service	512,902	-	-	-	-	4,256,840	-
Building Acquisition & Construction	-	-	-	-	-	-	-
Building Improvement	-	-	-	-	11,437,146	-	-
Depreciation	-	-	-	-	-	-	104,671
Transfers	64,525	71,518	271,123	5,146,548	-	-	224,937
TOTALS	\$ 35,671,629	\$5,784,515	\$ 271,123	\$5,146,548	\$11,437,146	\$4,256,840	\$3,933,080
Excess / (Deficit)	702,971	(179,270)	22,854	190,634	(10,792,646)	(3,861,430)	(289,139)

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 2.0% contingency in the Tentative Final Working budget. While it is not mandatory in the Final Working budget, the Kentucky Department of Education places district’s with less than a 2% reserve on a financial watch list. The district maintained a budgeted general fund contingency of above this threshold. The beginning restated general fund balance for fiscal year 2025 was \$4,093,135.

Questions regarding this report should be directed to the Chief Finance Officer/Board Treasurer, Brian Linder, at (859) 824-3323, by email at brian.linder@grant.kyschools.us or by mail at 820 Arnie Risen Blvd, Williamstown, KY 41097.

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

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,765,300	\$ 894,542	\$ 4,659,842
Investments	8,327,112		8,327,112
Receivables (net)	1,020,217	291,241	1,311,458
Inventories		61,333	61,333
Funded OPEB asset	356,893	21,131	378,024
Capital assets:			
Land and construction in progress	18,238,518		18,238,518
Other capital assets, net of depreciation	56,566,289	1,314,881	57,881,170
Net finance purchases	138,256		138,256
Total capital assets	74,943,063	1,314,881	76,257,944
Total assets	88,412,585	2,583,128	90,995,713
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	3,719,658	219,847	3,939,505
Deferred outflows related to OPEB CERS	1,409,262	83,827	1,493,089
Deferred outflows related to OPEB TRS	3,010,620		3,010,620
Total deferred outflows of resources	8,139,540	303,674	8,443,214
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	96,552,125	2,886,802	99,438,927
LIABILITIES			
Accounts payable and accrued expenses	827,636	62	827,698
Accrued interest payable	493,844		493,844
Unearned revenue	687,921		687,921
Long-term liabilities:			
Due within 1 year:			
Bond obligations	3,125,000		3,125,000
Finance purchase obligations	292,961		292,961
Total due within 1 year	3,417,961	-	3,417,961
Due in more than 1 year:			
Bond obligations	36,342,934		36,342,934
Finance purchase obligations	1,386,719		1,386,719
Compensated absences	3,254,414		3,254,414
Net pension liability	12,342,153	730,755	13,072,908
Net OPEB liability TRS	4,613,000		4,613,000
Total due in more than 1 year	57,939,220	730,755	58,669,975
Total liabilities	63,366,582	730,817	64,097,399
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,198,785	130,459	2,329,244
Deferred inflows related to OPEB CERS	3,829,050	226,437	4,055,487
Deferred inflows related to OPEB TRS	4,032,000		4,032,000
Total deferred inflows of resources	10,059,835	356,896	10,416,731
NET POSITION			
Net investment in capital assets	33,795,449	1,314,881	35,110,330
Restricted for:			
Capital projects	6,860,501		6,860,501
District activities	113,125		113,125
Student activities	709,581		709,581
Food services		484,208	484,208
Unrestricted (deficit)	(18,352,948)		(18,352,948)
Total net position	23,125,708	1,799,089	24,924,797
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 96,552,125	\$ 2,886,802	\$ 99,438,927

See the accompanying notes to the financial statements.

Grant County School District
Statement of Activities
For the year ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
Instruction	\$ 22,383,666	\$ -	\$ 14,077,238	\$ -	\$ (8,306,428)	\$ -	\$ (8,306,428)
Support services							
Student	3,095,412	797,354	106,818		(2,191,240)		(2,191,240)
Instructional staff	2,753,509		95,020		(2,658,489)		(2,658,489)
District administration	781,473		26,968		(754,505)		(754,505)
School administration	2,573,211		88,798		(2,484,413)		(2,484,413)
Business	626,436		21,617		(604,819)		(604,819)
Plant operation & maintenance	4,442,277		153,297	2,913,760	(1,375,220)		(1,375,220)
Student transportation	2,569,278		88,662		(2,480,616)		(2,480,616)
Community services operations	453,156		15,638		(437,518)		(437,518)
Food service activities	85,324		2,944		(82,380)		(82,380)
Interest on general long-term debt	1,347,642		46,505	395,410	(905,727)		(905,727)
Depreciation*	1,554,798				(1,554,798)		(1,554,798)
Total governmental activities	<u>42,666,182</u>	<u>797,354</u>	<u>14,723,505</u>	<u>3,309,170</u>	<u>(23,836,153)</u>		<u>(23,836,153)</u>
Business-type activities:							
Food service operations	3,603,472	224,466	3,416,452			37,446	37,446
Community operation	42,250	42,039				(211)	(211)
Depreciation*	104,671					(104,671)	(104,671)
Total business-type activities	<u>3,750,393</u>	<u>266,505</u>	<u>3,416,452</u>	<u>-</u>	<u>-</u>	<u>(67,436)</u>	<u>(67,436)</u>
Total primary government	\$ <u>46,416,575</u>	\$ <u>1,063,859</u>	\$ <u>18,139,957</u>	\$ <u>3,309,170</u>	<u>(23,836,153)</u>	<u>(67,436)</u>	<u>(23,903,589)</u>
General revenues:							
Taxes:							
Property taxes					9,499,071		9,499,071
Utility					1,241,767		1,241,767
Motor vehicle taxes					1,122,088		1,122,088
State and formula grants					15,064,704		15,064,704
Unrestricted investment earnings					589,692	3,023	592,715
Other local					426,789		426,789
Transfers					224,937	(224,937)	-
Total general revenues and transfers					<u>28,169,048</u>	<u>(221,914)</u>	<u>27,947,134</u>
Change in net position					4,332,895	(289,350)	4,043,545
Net position - beginning					20,361,961	2,101,921	22,463,882
Prior period adjustment					(1,569,149)	(13,482)	(1,582,631)
Restated net position - beginning					<u>18,792,812</u>	<u>2,088,439</u>	<u>20,881,251</u>
Net position - ending					\$ <u>23,125,708</u>	\$ <u>1,799,089</u>	\$ <u>24,924,797</u>

*Unallocated depreciation that excludes depreciation which is included in the direct expenses of various programs, if any.

See the accompanying notes to the financial statements.

Grant County School District
Balance Sheet - Governmental Funds
June 30, 2025

	Governmental Funds						
	General	Special Revenue	FSPK	Construction	Debt Service	Other Governmental Funds	Total
ASSETS							
Cash and cash equivalents	\$ 1,374,699	\$ 72,799	\$ 1,470,000	\$ -	\$ -	\$ 847,802	\$ 3,765,300
Investments				8,327,112			8,327,112
Receivables, net							
Interfund receivable	2,997,849						2,997,849
Taxes-current	519,164						519,164
Accounts	4,579						4,579
Intergovernmental-federal		496,474					496,474
Total assets	4,896,291	569,273	1,470,000	8,327,112	-	847,802	16,110,478
LIABILITIES							
Accounts payable	198,544	24,480					223,024
Interfund payable		36,142		2,961,707			2,997,849
Unearned revenue		687,921					687,921
Payroll taxes payable	604,612						604,612
Total liabilities	803,156	748,543	-	2,961,707	-	-	4,513,406
FUND BALANCE							
Restricted	52,900		1,470,000	5,365,405		847,802	7,736,107
Committed	185,002						185,002
Unassigned	3,855,233	(179,270)					3,675,963
Total fund balance	4,093,135	(179,270)	1,470,000	5,365,405	-	847,802	11,597,072
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,896,291	\$ 569,273	\$ 1,470,000	\$ 8,327,112	\$ -	\$ 847,802	\$ 16,110,478

See the accompanying notes to the financial statements.

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

Fund balances-total governmental funds	\$	11,597,072
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position.		74,943,063
Certain assets (Funded OPEB asset) are not receivable in the current period and, therefore, are not recorded in the fund financial statements.		356,893
Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, accrued interest payable, other accounts payable, and net pension obligations) are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued interest payable		(493,844)
Bonds payable		(39,467,934)
Finance purchase obligations		(1,679,680)
Compensated absences		(3,254,414)
Net pension liability		(12,342,153)
Net OPEB liability		(4,613,000)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows related to OPEB		4,419,882
Deferred inflows related to OPEB		(7,861,050)
Deferred outflows related to pensions		3,719,658
Deferred inflows related to pensions		<u>(2,198,785)</u>
Net position of governmental activities	\$	<u>23,125,708</u>

See the accompanying notes to the financial statements.

Grant County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2025

	<u>General</u>	<u>Special Revenue</u>	<u>FSPK</u>	<u>Construction</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
From local sources							
Taxes							
Property	\$ 6,786,660	\$ -	\$ 2,712,411	\$ -	\$ -	\$ -	\$ 9,499,071
Motor vehicle	1,122,088						1,122,088
Utility	1,241,767						1,241,767
Earnings on investments	11,722		4,576	572,982		412	589,692
Student activities						797,354	797,354
Other local revenue	236,924	102,667					339,591
Intergovernmental - state	24,141,995	1,849,041	2,620,195		395,410	293,565	29,300,206
Intergovernmental - federal	208,163	3,589,012					3,797,175
Total revenues	<u>33,749,319</u>	<u>5,540,720</u>	<u>5,337,182</u>	<u>572,982</u>	<u>395,410</u>	<u>1,091,331</u>	<u>46,686,944</u>
EXPENDITURES							
Instruction	18,766,256	4,473,294				22,576	23,262,126
Support services							
Student	2,060,591	318,735				716,087	3,095,413
Instructional staff	2,361,170	389,730				2,609	2,753,509
District administration	773,583	7,890					781,473
School administration	2,573,211						2,573,211
Business	626,436						626,436
Plant operation & maintenance	4,378,895	63,382					4,442,277
Student transportation	3,465,503	10,043					3,475,546
Food services operation	85,325						85,325
Community services	3,232	449,923					453,155
Building improvement				11,437,146			11,437,146
Debt service	512,902				4,256,840		4,769,742
Total expenditures	<u>35,607,104</u>	<u>5,712,997</u>	<u>-</u>	<u>11,437,146</u>	<u>4,256,840</u>	<u>741,272</u>	<u>57,755,359</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,857,785)	(172,277)	5,337,182	(10,864,164)	(3,861,430)	350,059	(11,068,415)
OTHER FINANCING SOURCES (USES)							
Capital lease proceeds	844,103						844,103
Operating transfers in	1,781,178	64,525		71,518	3,861,430		5,778,651
Operating transfers (out)	(64,525)	(71,518)	(5,146,548)			(271,123)	(5,553,714)
Total other financing sources and (uses)	<u>2,560,756</u>	<u>(6,993)</u>	<u>(5,146,548)</u>	<u>71,518</u>	<u>3,861,430</u>	<u>(271,123)</u>	<u>1,069,040</u>
NET CHANGE IN FUND BALANCE	702,971	(179,270)	190,634	(10,792,646)	-	78,936	(9,999,375)
FUND BALANCE-BEGINNING	3,984,964	-	919,609	16,158,051	-	744,775	21,807,399
Prior period adjustment	(594,800)		359,757			24,091	(210,952)
RESTATED FUND BALANCE-BEGINNING	<u>3,390,164</u>	<u>-</u>	<u>1,279,366</u>	<u>16,158,051</u>	<u>-</u>	<u>768,866</u>	<u>21,596,447</u>
FUND BALANCE-ENDING	<u>\$ 4,093,135</u>	<u>\$ (179,270)</u>	<u>\$ 1,470,000</u>	<u>\$ 5,365,405</u>	<u>\$ -</u>	<u>\$ 847,802</u>	<u>\$ 11,597,072</u>

See the accompanying notes to the financial statements.

Grant County School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2025

Net change in fund balances-total governmental funds	\$	(9,999,375)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report district OPEB and pension contributions as expenditures. However in the Statement of Activities, the cost of the benefits earned net of employee contributions is reported as pension expense or revenue.</p>		2,065,807
<p>Bonds sold at a discount/premium is recorded as a other financing use on the fund financial statements but is netted against bond obligations and amortized to expense over the life of the bond in the statement of net position.</p>		30,714
<p>Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.</p>		11,005,514
<p>Bond and finance purchase payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net position.</p>		2,360,980
<p>Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>		
<p>Accrued interest payable</p>		33,715
<p>Noncurrent compensated absences</p>		<u>(1,164,460)</u>
Change in net position of governmental activities	\$	<u>4,332,895</u>

See the accompanying notes to the financial statements.

Grant County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
From local sources				
Taxes				
Property	\$ 6,133,463	\$ 6,133,463	\$ 6,786,660	\$ 653,197
Motor vehicle	1,203,948	1,203,948	1,122,088	(81,860)
Utility	900,000	900,000	1,241,767	341,767
Earnings on investments	14,000	14,000	11,722	(2,278)
Other local revenue	694,000	694,000	236,924	(457,076)
Intergovernmental - state	15,337,271	15,337,271	24,141,995	8,804,724
Intergovernmental - federal	270,000	270,000	208,163	(61,837)
Total revenues	<u>24,552,682</u>	<u>24,552,682</u>	<u>33,749,319</u>	<u>9,196,637</u>
EXPENDITURES				
Instruction	12,749,764	12,749,764	18,766,256	(6,016,492)
Support services				
Student	1,731,511	1,731,511	2,060,591	(329,080)
Instructional staff	1,603,980	1,603,980	2,361,170	(757,190)
District administration	583,593	583,593	773,583	(189,990)
School administration	2,159,182	2,159,182	2,573,211	(414,029)
Business	546,538	546,538	626,436	(79,898)
Plant operation & maintenance	4,886,669	4,886,669	4,378,895	507,774
Student transportation	2,588,080	2,588,080	3,465,503	(877,423)
Food services operations	112,484	112,484	85,325	27,159
Community services			3,232	(3,232)
Debt service	550,802	550,802	512,902	37,900
Total expenditures	<u>27,512,603</u>	<u>27,512,603</u>	<u>35,607,104</u>	<u>(8,094,501)</u>
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	(2,959,921)	(2,959,921)	(1,857,785)	1,102,136
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds			844,103	844,103
Operating transfers in	166,000	166,000	1,781,178	1,615,178
Operating transfers (out)	(70,472)	(70,472)	(64,525)	5,947
Total other financing sources and (uses)	<u>95,528</u>	<u>95,528</u>	<u>2,560,756</u>	<u>2,465,228</u>
NET CHANGE IN FUND BALANCE	(2,864,393)	(2,864,393)	702,971	3,567,364
FUND BALANCE-BEGINNING	4,068,632	4,068,632	3,984,964	(83,668)
Prior period adjustment			(594,800)	(594,800)
RESTATED FUND BALANCE-BEGINNING	<u>4,068,632</u>	<u>4,068,632</u>	<u>3,390,164</u>	<u>(678,468)</u>
FUND BALANCE-ENDING	<u>\$ 1,204,239</u>	<u>\$ 1,204,239</u>	<u>\$ 4,093,135</u>	<u>\$ 2,888,896</u>

Note: The district did not budget \$9,014,439 of state on-behalf payments. The revenues and expenditures variance will include that amounts omission.

See the accompanying notes to the financial statements.

Grant County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Revenue Fund
For the year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
From local sources				
Other local revenue	\$ 265,676	\$ 265,676	\$ 102,667	\$ (163,009)
Intergovernmental - state	2,034,605	2,034,605	1,849,041	(185,564)
Intergovernmental - federal	<u>3,742,388</u>	<u>3,742,388</u>	<u>3,589,012</u>	<u>(153,376)</u>
Total revenues	<u>6,042,669</u>	<u>6,042,669</u>	<u>5,540,720</u>	<u>(501,949)</u>
EXPENDITURES				
Instruction	4,439,704	4,439,704	4,473,294	(33,590)
Support services				
Student	579,166	579,166	318,735	260,431
Instructional staff	386,984	386,984	389,730	(2,746)
District administration	19,699	19,699	7,890	11,809
Plant operation & maintenance	167,905	167,905	63,382	104,523
Student transportation	269,973	269,973	10,043	259,930
Community services operations	<u>449,620</u>	<u>449,620</u>	<u>449,923</u>	<u>(303)</u>
Total expenditures	<u>6,313,051</u>	<u>6,313,051</u>	<u>5,712,997</u>	<u>600,054</u>
EXCESS (DEFICIENCY) IN REVENUES OVER EXPENDITURES	(270,382)	(270,382)	(172,277)	98,105
OTHER FINANCING SOURCES (USES)				
Operating transfers in	323,426	323,426	64,525	(258,901)
Operating transfers (out)			<u>(71,518)</u>	<u>(71,518)</u>
Total other financing sources and (uses)	<u>323,426</u>	<u>323,426</u>	<u>(6,993)</u>	<u>(330,419)</u>
NET CHANGE IN FUND BALANCE	53,044	53,044	(179,270)	(232,314)
FUND BALANCE-BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>(291,997)</u>
FUND BALANCE-ENDING	<u>\$ 53,044</u>	<u>\$ 53,044</u>	<u>\$ (179,270)</u>	<u>\$ (524,311)</u>

See the accompanying notes to the financial statements.

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

	Enterprise Funds		
	School Food Services	Flow Through Fund	Total
ASSETS			
Cash and cash equivalents	\$ 849,902	\$ 44,640	\$ 894,542
Receivables	291,241		291,241
Inventories	61,333		61,333
Funded OPEB asset	21,071	60	21,131
Capital assets:			
Other capital assets, net of depreciation	1,314,881		1,314,881
Total assets	2,538,428	44,700	2,583,128
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	219,611	236	219,847
Deferred outflows related to OPEB	83,204	623	83,827
Total deferred outflows of resources	302,815	859	303,674
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2,841,243	45,559	2,886,802
LIABILITIES			
Accounts payable	62		62
Net pension liability	728,688	2,067	730,755
Total liabilities	728,750	2,067	730,817
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	129,818	641	130,459
Deferred inflows related to OPEB	226,069	368	226,437
Total deferred inflows of resources	355,887	1,009	356,896
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,084,637	3,076	1,087,713
NET POSITION			
Net Investment in capital assets	1,314,881	-	1,314,881
Restricted	441,725	42,483	484,208
Total net position	1,756,606	42,483	1,799,089
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 2,841,243	\$ 45,559	\$ 2,886,802

See the accompanying notes to the financial statements.

Grant County School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the year ended June 30, 2025

	School Food Services	Flow Through Fund	Total
OPERATING REVENUES			
Lunchroom sales	\$ 130,725	\$ -	\$ 130,725
Other local revenue	93,741	42,039	135,780
Total operating revenues	224,466	42,039	266,505
OPERATING EXPENSES			
Food service operations			
Salaries and benefits	1,453,473		1,453,473
Operational	2,149,999		2,149,999
Day care operations			
Salaries and benefits		3,783	3,783
Operational		38,467	38,467
Depreciation	104,671		104,671
Total operating expenses	3,708,143	42,250	3,750,393
Operating income (loss)	(3,483,677)	(211)	(3,483,888)
NONOPERATING REVENUES (EXPENSES)			
Federal grants	3,344,897		3,344,897
State grants	71,555		71,555
Transfers in (out)	(224,937)		(224,937)
Earnings from investments	3,023		3,023
Total nonoperating revenues (expenses)	3,194,538	-	3,194,538
CHANGE IN NET POSITION	(289,139)	(211)	(289,350)
NET POSITION-BEGINNING	2,045,745	56,176	2,101,921
Prior period adjustment		(13,482)	(13,482)
RESTATED NET POSITION-BEGINNING	2,045,745	42,694	2,088,439
NET POSITION-ENDING	\$ 1,756,606	\$ 42,483	\$ 1,799,089

See the accompanying notes to the financial statements.

Grant County School District
Statement of Cash Flows Proprietary Fund
For the year ended June 30, 2025

	<u>Enterprise Funds</u>		
	<u>School Food Services</u>	<u>Flow Through Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 224,466	\$ 42,039	\$ 266,505
Payments to suppliers	(2,185,090)	(38,628)	(2,223,718)
Payments to employees	(1,453,473)	(3,783)	(1,457,256)
Net cash provided (used) by operating activities	<u>(3,414,097)</u>	<u>(372)</u>	<u>(3,414,469)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and contributions	3,416,452		3,416,452
Prior period adjustments		(13,482)	(13,482)
Net cash provided (used) by noncapital financing activities	<u>3,416,452</u>	<u>(13,482)</u>	<u>3,402,970</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(326,134)		(326,134)
Transfers	(224,937)		(224,937)
Net cash provided (used) by capital and related financing activities	<u>(551,071)</u>	<u>-</u>	<u>(551,071)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	3,023	-	3,023
Net cash provided (used) by investing activities	<u>3,023</u>	<u>-</u>	<u>3,023</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(545,693)	(13,854)	(559,547)
CASH AND CASH EQUIVALENTS-BEGINNING	<u>1,395,595</u>	<u>58,494</u>	<u>1,454,089</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 849,902</u>	<u>\$ 44,640</u>	<u>\$ 894,542</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (3,483,677)	\$ (211)	\$ (3,483,888)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	104,671	-	104,671
Changes in assets and liabilities:			
Receivables	(14,854)		(14,854)
Inventories	(31,770)		(31,770)
Funded OPEB asset	(7,815)	(19)	(7,834)
Outflow Deferrals	(55,254)	(90)	(55,344)
Inflow Deferrals	(35,822)	(207)	(36,029)
Net pension liability	112,606	155	112,761
Accrued liabilities	(2,182)		(2,182)
Net cash provided provided (used) by operating activities	<u>\$ (3,414,097)</u>	<u>\$ (372)</u>	<u>\$ (3,414,469)</u>

NONCASH NONCAPITAL FINANCING ACTIVITIES

During the year, the district received \$148,957 of food commodities from the U.S. Department of Agriculture. State on-behalf payments of \$49,125 for food services is included in the financial statements.

See the accompanying notes to the financial statements.

Grant County School District
Statement of Net Position Fiduciary Fund
June 30, 2025

	Private Purpose Trust
ASSETS	
Cash and cash equivalents	\$ 4,427
Total assets	<u>4,427</u>
NET POSITION	
Total net position (held in trust)	\$ <u>4,427</u>

See the accompanying notes to the financial statements.

Grant County School District
Statement of Changes in Net Position Fiduciary Fund
For the year ended June 30, 2025

		Private Purpose Trust
ADDITIONS		
Net interest and investment gains	\$	-
Total additions		<u>-</u>
DEDUCTIONS		
Contract services		-
Total deductions		<u>-</u>
CHANGE IN NET POSITION		-
BEGINNING NET POSITION (held in trust)		<u>4,427</u>
ENDING NET POSITION (held in trust)	\$	<u><u>4,427</u></u>

See the accompanying notes to the financial statements.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The 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 Board of Education (“District”). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100-Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies, which may influence operations and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds relevant to the operation of the 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 District itself such as Band Boosters, Parent-Teacher Associations, etc.

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

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

Blended Component Unit:

Grant County Board Of Education Finance Corporation

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

Basis of Presentation

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

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

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

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

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

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

The District has the following funds:

I. Governmental Fund Types

(A) General Fund

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

(B) Special Revenue (Grant) Fund

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

(C) Special Revenue (District Activity) Fund

The Special Revenue (District Activity) Fund accounts for funds collected at individual schools for operation costs of the schools or school district that allows for more flexibility in the expenditures of those funds.

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

(D) Special Revenue (Student Activity) Fund

Special Revenue (Student Activity) Fund accounts for activities of student groups and other types of activities requiring clearing accounts.

(E) Capital Project Funds

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

SEEK Capital Outlay Fund

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

Building (FSPK) Fund

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

Construction Fund

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

(F) Debt Service Fund

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

II. Proprietary Funds (Enterprise Funds)

(A) Food Service Fund

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

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

(B) Flow Through Fund

The Flow Through Fund is another enterprise fund used by the District to account for activities not part of food service fund.

The District applies all GASB pronouncements to proprietary funds.

III. Fiduciary Fund Type

Private Purpose Trust

Private Purpose Trusts are maintained within MUNIS and account for revenues generated by trusts set up to benefit a specific location in Grant County.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from 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. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

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

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

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

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

Cash and Cash Equivalents

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

Inventories

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

Prepaid Assets

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

Capital Assets

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

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

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

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

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

Right-of-Use Assets, Finance Purchases, Subscription-Based Information Technology Arrangements

The District records right-of-use and finance purchase assets in accordance with GASB 87 and subscription based information technology arrangement assets in accordance with GASB 96. These assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the asset into service. The assets are amortized on a straight-line basis over the life of the related lease.

Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgment, the non-current portion of capital leases, compensated absences, contractually required pension and OPEB contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Compensated Absences

Employees of the District earn sick leave and other compensated absences in accordance with Board policy. Under GASB Statement No. 101, Compensated Absences, implemented in fiscal year 2025, a liability is recognized for leave attributable to services already rendered that accumulates or vests and is probable to be used or paid.

Fund Balances

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

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

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

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

Net Position

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

Property Taxes

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

The property tax rates assessed for the year ended June 30, 2025, to finance the General Fund operations were \$.576 per \$100 valuation of real property, \$.576 per \$100 valuation for tangible personal property and \$.553 per \$100 valuation for motor vehicles.

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

Operating and Non-Operating Revenues and Expenses

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

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

In-Kind

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

Contributions of Capital

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

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

Inter-fund Receivables/Payables

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

Inter-fund Transfers

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the appropriate period. The District reports three types of deferred outflows – contributions to the CERS’s pension and OPEB plans after the measurement period and the unrecognized portion of a deferred loss on the refinancing of long-term debt.

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

Pensions

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

Other Postemployment Benefits (OPEB)

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

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

Bond and Related Premiums, Discounts, and Issuance Costs

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

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates

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

Budgetary Process

The District prepares its budgets on the modified accrual basis of accounting, which is the same basis as used to prepare the Statements of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end. The Kentucky Department of Education does not require the Capital Project Funds and Debt Service Funds to prepare budgets.

The District's General Fund expenditures exceeded budgeted appropriations by \$8,094,501.

New Accounting Pronouncements

Implemented in Current Year:

GASB Statement No. 101 – Compensated Absences is effective for reporting periods beginning after December 15, 2023. GASB Statement No. 101 establishes recognition and measurement criteria for compensated absences when the leave is attributable to services already rendered, accumulates or vests, and it is probable the leave will be used or paid. The District implemented this Statement in the fiscal year ended June 30, 2025. Implementation resulted in a prior period adjustment to the governmental activities beginning net position further discussed in Note P.

GASB Statement No. 102- Issued in December 2023, this Statement improves financial reporting by requiring disclosure of certain concentrations and constraints that could expose a government to severe financial risk. The District implemented this Statement for the fiscal year ended June 30, 2025. Implementation did not have a material impact on the financial statements, and management determined that no reportable concentrations or constraints exist as defined by the Statement.

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

Effective in Future Years:

The District is currently evaluating the potential impact of the following issued, but not yet effective, accounting standards:

GASB Statement No. 103- Issued in April 2024, GASB Statement No. 103, *Financial Reporting Model Improvements*, enhances key components of the governmental financial reporting model to improve the usefulness and comparability of financial statements. The objective of this Statement is to provide more relevant and consistent information for decision-making and accountability purposes. This Statement is effective for fiscal years beginning after June 15, 2025, and reporting periods thereafter. The District is currently evaluating the impact of this Statement on its financial reporting.

NOTE B – CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Kentucky Revised Statutes authorize the District to invest money subject to its control, in accordance with KRS 66.480, including obligations of the United States; bonds or certificates of indebtedness of the Commonwealth of Kentucky and its agencies and instrumentalities; and deposits with financial institutions insured by an agency of the United States. Deposits in excess of federal depository insurance coverage are required to be secured by pledged obligations, as permitted by KRS 41.240, having a current quoted market value at least equal to uninsured deposits.

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

At year end the District's bank balances were fully collateralized by securities held by the pledging bank's trust department in the District's name and FDIC insurance. At year end, the carrying amount of the District's cash and cash equivalents was \$4,659,842 and the bank balance was \$5,660,221. The District held \$4,427 in the fiduciary fund.

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

The District's total investment of \$8,327,112 consist of Government money market funds and United States Treasury Notes. The District's investments are held for the use of future construction projects.

Risks and Uncertainties – the District's investments are exposed to various risks such as interest rate risk, credit risk, concentration of credit risk, and custodial credit risk. Due to the level or risk associated with certain investments, it is at least reasonably possible that changes in the values of the investment will occur in the near term and that such changes could materially affect the account balances and the amounts reported in the financial statements.

Interest Rate Risk- interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the District's investment policy, the District

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature concurrent with the anticipated cash requirements for ongoing operations and investing funds primarily in shorter-term securities or similar investment pools and limiting the average maturity of the portfolio. All investments held by the District will mature in less than one year.

Credit Risk – Under Kentucky Revised Statutes Section 66.480, the District is authorized to invest in obligations of the United States and its agencies and instrumentalities, obligations and contracts for future delivery of purchase obligations backed by the full fair and credit of the United States or its agencies, obligations of any corporation of the United States government, certificates of deposit, commercial paper rated in one of the three highest categories by nationally recognized rating agencies and securities in mutual funds shall be eligible investments pursuant to this section. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the District’s investment in a single issuer. The District places no limit on the amount the District may invest in any one issuer. The District’s investment percentages by investment type are 22% Government money market funds and 78% United States Treasury Notes.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s investments are 100% collateralized by the full faith and credit of the federal government.

Fair Value Measurement – The District’s investments are measured and reported at fair value and classified according to the following hierarchy:

- Level 1 – Investments reflect prices quoted in active markets.
- Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in market that are not considered to be active.
- Level 3 – Investments reflect prices based upon unobservable sources.

The District’s investments are classified as a level 1 investment and are measured at net asset value.

NOTE C – CAPITAL ASSETS

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

SEE SCHEDULE ON NEXT PAGE

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

<u>Governmental Activities</u>	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2025</u>
Land-nondepreciable	\$ 2,510,500	\$ -	\$ -	\$ 2,510,500
Construction in progress	18,015,529	11,524,344	13,811,855	15,728,018
Land improvements	2,068,012	-	-	2,068,012
Buildings	73,808,724	13,811,855	-	87,620,579
Technology	3,050,797	-	-	3,050,797
Vehicles	,249,887	906,268	-	9,156,155
General equipment	<u>1,955,052</u>	<u>-</u>	<u>-</u>	<u>1,955,052</u>
Total at historical cost	\$ <u>109,658,502</u>	\$ <u>26,242,467</u>	\$ <u>13,811,855</u>	\$ <u>122,089,114</u>
Less: Accumulated depreciation				
Land improvements	\$ 2,019,260	\$ 13,265	\$ -	\$ 2,032,525
Buildings	32,270,457	1,426,998	-	33,697,455
Technology	3,048,621	-	-	3,048,621
Vehicles	6,477,310	105,723	-	6,583,033
General equipment	<u>1,913,862</u>	<u>8,812</u>	<u>-</u>	<u>1,922,674</u>
Total accumulated depreciation	\$ <u>45,729,509</u>	\$ <u>1,554,798</u>	\$ <u>-</u>	\$ <u>47,284,308</u>
Finance Purchases				
General equipment	\$ 566,809	\$ 152,588	\$ -	\$ 719,397
Less: Accumulated depreciation	<u>(558,253)</u>	<u>(22,888)</u>	<u>-</u>	<u>(581,141)</u>
Finance Purchases-net	\$ <u>8,556</u>	\$ <u>129,700</u>	\$ <u>-</u>	\$ <u>138,256</u>
<u>Governmental Activities</u>				
Capital Assets-net	\$ <u>63,937,549</u>	\$ <u>24,817,369</u>	\$ <u>13,811,855</u>	\$ <u>74,943,063</u>
<u>Business-Type Activities</u>	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2025</u>
Buildings	\$ 2,970,967	\$ -	\$ -	\$ 2,970,967
Technology	41,562	-	-	41,562
Vehicles	27,400	62,165	-	89,565
General equipment	<u>1,485,638</u>	<u>263,969</u>	<u>-</u>	<u>1,749,607</u>
Total at historical cost	\$ <u>4,525,567</u>	\$ <u>326,134</u>	\$ <u>-</u>	\$ <u>4,851,701</u>
Less: Accumulated depreciation				
Buildings	\$ 2,021,307	\$ 76,988	\$ -	\$ 2,098,295
Technology	40,861	-	-	40,861
Vehicles	27,400	-	-	27,400
General equipment	<u>1,342,581</u>	<u>27,682</u>	<u>-</u>	<u>1,370,263</u>
Total accumulated depreciation	\$ <u>3,432,149</u>	\$ <u>104,671</u>	\$ <u>-</u>	\$ <u>3,536,820</u>
<u>Business-Type Activities</u>				
Capital Assets-net	\$ <u>1,093,418</u>	\$ <u>221,463</u>	\$ <u>-</u>	\$ <u>1,314,881</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated”.

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

NOTE D – LONG TERM DEBT OBLIGATIONS

Bonds

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

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

The bonds payable are collateralized by education facilities constructed by the District with bond proceeds. Bondholders are protected against default by a mechanism whereby the Commonwealth of Kentucky would withhold state SEEK payments and remit required debt service payments directly to the debt service paying agent. All bonds are subject to federal arbitrage regulations.

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

Bond Issues	Original Amount	Maturity Date	Interest Rates	2024 Bonds Outstanding	Additions	Retirements	2025 Bonds Outstanding
Series 2013 Refunding	\$ 4,490,000	8/1/2025	2.1% - 2.2%	\$ 950,000	\$ -	\$ 470,000	\$ 480,000
Series 2014	4,470,000	2/1/2034	2.1% - 4.0%	3,825,000	-	65,000	3,760,000
Series 2015A Refunding	7,940,000	8/1/2030	2.2% - 3.1%	5,585,000	-	305,000	5,280,000
Series 2016 Refunding	13,920,000	4/1/2027	2.0% - 3.0%	5,680,000	-	1,675,000	4,005,000
Series 2016	3,160,000	4/1/2036	2.5% - 3.2%	2,575,000	-	80,000	2,495,000
Series 2017	3,750,000	3/1/2037	2.5% - 3.5%	3,280,000	-	75,000	3,205,000
Series 2020 Energy	6,190,000	9/1/2040	2.0%	5,810,000	-	160,000	5,650,000
Series 2024	14,545,000	2/1/2044	4.0%	14,545,000	-	190,000	14,355,000
	\$ 58,465,000						
				42,250,000	-	3,020,000	39,230,000
Add:	Premium			407,808	-	(47,264)	360,544
Less:	Discount			(139,160)	-	16,551	(122,610)
				\$ 42,518,648	\$ -	\$ 2,989,287	\$ 39,467,934

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

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

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

Fiscal Year Ended June 30th	Principal		Interest		Principal	Interest
	Local	KSFCC	Local	KSFCC	Total	Total
2026	2,857,253	267,747	1,171,923	127,664	3,125,000	1,299,586
2027	2,938,446	276,554	1,094,799	118,857	3,215,000	1,213,656
2028	2,234,346	285,654	993,825	109,756	2,520,000	1,103,581
2029	2,309,941	295,059	923,256	100,351	2,605,000	1,023,606
2030	2,390,126	304,874	849,882	90,537	2,695,000	940,419
2031-2035	8,569,188	990,812	3,318,914	337,264	9,560,000	3,656,178
2036-2040	8,487,926	662,074	1,996,417	182,720	9,150,000	2,179,138
2041-2044	5,813,584	546,416	507,537	55,713	6,360,000	563,250
	<u>\$ 35,600,810</u>	<u>\$ 3,629,190</u>	<u>\$ 10,856,553</u>	<u>\$ 1,122,861</u>	<u>\$ 39,230,000</u>	<u>\$ 11,979,415</u>

Finance Purchases

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

FINANCE PURCHASES	Original Amount	Maturity Date	Interest Rates	2024	Additions	Retirements	2025
				Outstanding Balance			Outstanding Balance
2015	370,837	3/1/2025	2.3-2.6%	34,394	-	34,394	-
2016	370,689	3/1/2026	2.2-2.6%	67,480	-	33,287	34,193
2017	286,613	3/1/2027	2.5%	83,931	-	30,459	53,472
2019	370,656	3/1/2029	3.0%	181,432	-	38,624	142,808
2020	386,492	3/1/2030	2.0%	228,250	-	38,545	189,705
2023	461,267	3/1/2033	3-3.7%	416,190	-	44,896	371,294
2024	844,103	3/1/2034	3-3.7%	-	844,103	87,259	756,844
Copier	513,366	9/1/2024	2.0%	8,983	-	8,983	-
Copier	152,588	9/1/2029	3.5%	-	152,588	21,224	131,364
				<u>\$ 1,020,660</u>	<u>\$ 996,691</u>	<u>\$ 337,671</u>	<u>\$ 1,679,680</u>

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

Fiscal Year Ended June 30th	Local Principal	Interest	Total Payments
2026	\$ 292,961	\$ 59,598	\$ 352,559
2027	259,213	50,046	309,259
2028	228,403	41,417	269,820
2029	229,028	33,545	262,573
2030	179,051	25,822	204,873
2031-2034	491,024	45,423	536,447
	<u>\$ 1,679,680</u>	<u>\$ 255,851</u>	<u>\$ 1,935,531</u>

Total minimum payments	\$ 1,935,531
Less: Amount representing interest	<u>(255,851)</u>

Present Value of Net Minimum Payments	<u>\$ 1,679,680</u>
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In order to secure the payment of all of the Board's obligations under a KISTA Lease, the Board grants to KISTA a security interest constituting a first lien on the Equipment and on all additions, attachments, accessories, and substitutions thereto, and on all proceeds therefrom. In the Event of Default, title to the Equipment shall immediately vest in KISTA, and the Board will immediately surrender possession of the Equipment to KISTA or to KISTA's order; by the execution of this Lease the Board agrees upon demand by KISTA or the Second

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

Trustee, and without order of court, to execute a bill of sale or such other instrument as may be required in favor of KISTA or the Second Trustee in order to permit liquidation of the equipment in an Event of Default by the Board.

Compensated Absences

Employees of the District earn sick leave and other compensated absences in accordance with Board policy. Upon retirement from the school system, an employee is entitled to receive payment from the District equal to 30% of the value of accumulated sick leave.

Under GASB Statement No. 101, *Compensated Absences*, implemented during the fiscal year ended June 30, 2025, a liability is recognized for leave that is attributable to services already rendered, accumulates or vests, and is probable to be used or paid. The liability is measured using pay rates and applicable salary-related costs in effect at June 30, 2025, based on historical usage and payout experience.

The cumulative effect of adoption decreased the beginning net position of governmental activities by \$1,358,197.

The activity during fiscal year 2025 for compensated absences is as follows:

	2024			2025		
	Outstanding Balance	Additions	Retirements	Outstanding Balance		
Compensated Absences	\$ 731,757	\$ 2,522,657	\$ -	\$ 3,254,414		

Net Pension & OPEB Liability

The net pension liability is \$12,342,153 for governmental activities and \$730,755 for business-type activities for a total of \$13,072,908 as of June 30, 2025 (See Note E for additional information). The net OPEB liability is \$4,613,000 for governmental activities and \$0 for business-type activities for a total of \$4,613,000 as of June 30, 2025 (See Note F for additional information).

A summary of activity in bond obligations and other debts is as follows:

Description	2024 Outstanding Balance	Additions	Retirements	2025 Outstanding Balance	Amount Due in One Year
Bonds, Net of Premium and Discount	\$ 42,518,648	\$ -	\$ 2,989,287	\$ 39,467,934	\$ 3,125,000
Finance Purchases	1,020,660	996,691	337,671	1,679,680	292,961
Compensated Absences	731,757	2,522,657	-	3,254,414	-
Net Pension Liability	12,436,541	636,367	-	13,072,908	-
Net OPEB Liability	5,639,000	-	1,026,000	4,613,000	-
Totals	\$ 62,346,606	\$ 4,155,715	\$ 4,352,958	\$ 62,087,936	\$ 3,417,961

NOTE E – RETIREMENT PLANS

The District’s employees are provided with two pension plans, based on each position’s college degree requirement. The Kentucky Teachers Retirement System covers positions requiring teaching certification or

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

otherwise requiring a college degree. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification.

Teachers Retirement System Kentucky (TRS)

Retirement Annuity Trust

Plan description

Teaching-certified employees of the Kentucky School District 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 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 (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 <http://www.trs.ky.gov/financial-reports-information>.

Benefits provisions

Definitions

“Final average salary” means the average of the five highest annual salaries which the member has received for service in a covered position and on which the member has made contributions or on which the public board, institution or agency has picked up the member contributions. For a member who retires after attaining age 55 with 27 years of service, “final average salary” means the average of the three highest annual salaries.

TRS Tier 1 and 2 Members

Condition of Allowance

Completion of 27 years of service or attainment of age 55 and 5 years of service.

Amount of Allowance

The annual retirement allowance is equal to:

- (a) 2% of final average salary multiplied by service before 7/1/1983, plus,
- (b) 2.5% of final average salary multiplied by service after 7/1/1983
- (c) For individuals who become members of the retirement system on or after 7/1/2002 and have less than 10 years of service at retirement, the retirement allowance is 2% of final average salary multiplied by service. If, however, they have 10 or more years, they receive a benefit percentage of 2.5% for all years of service up to 30 years.
- (d) For members retiring on or after 7/1/2004, the retirement allowance formula is 3% of final average salary for each year of service credit earned in excess of 30 years.

For all members, the annual allowance is reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

The minimum annual service allowance for all members is \$440 multiplied by credited service.

TRS Tier 3 Members

Condition of Retirement

Completion of 27 years of service or attainment of age 60 and 5 years of service or attainment of age 55 and 10 years of service.

Amount of Allowance

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

The annual retirement allowance is equal to:

- (e) 1.7% of final average salary if service is 10 years or less.
- (f) 2 % of final average salary if service is greater than 10 years and no more than 20 years.
- (g) 2.3% of final average salary if service is greater than 20 years but no more than 26 years.
- (h) 2.5% of final average salary if service is greater than 26 years but no more than 30 years.
- (i) 3% of final average salary for each year of service credit earned in excess of 30 years.

For all members, the annual allowance is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

TRS Tier 4 Members

Condition of Retirement

Completion of 27 years of service or attainment of age 60 and 5 years of service or attainment of age 55 and 10 years of service.

Amount of Allowance (Foundational Benefit)

The annual foundational benefit is equal to service times a multiplier times final average salary.

Age	Years of Service			
	5-9.99	10-19.99	20-29.99	30 or more
57-60	-	1.70%	1.95%	2.20%
61	-	1.74%	1.99%	2.24%
62	-	1.78%	2.03%	2.28%
63	-	1.82%	2.07%	2.32%
64	-	1.86%	2.11%	2.36%
65 & over	1.90%	1.90%	2.155	2.40%

The annual foundational benefit is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 30 years of service.

Supplemental Benefit

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

Disability Retirement Allowance

Condition for Allowance Totally and permanently incapable of being employed as a teacher and Under age 60 but after completing 5 years of service

Amount of Allowance The disability allowance is equal to the greater of the service retirement Allowance or 60% of the member’s final average salary. The disability Allowance is payable over an entitlement period equal to 25% of the service Credited to the member at the date of the disability or 5 years, whichever is Longer. After the disability entitlement period has expired and if the Member remains disabled, he will be retired under service retirement. The Service retirement allowance will be computed with service credit given

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended June 30, 2025

For the period of disability retirement. The allowance will not be less than \$6,000 per year. The service retirement allowance will not be reduced for Commencement of the allowance before age 60 or the completion of 27 Years of service.

Benefits Payable on Separation
From Service

Any member who ceases to be in service is entitled to receive his Contributions with allowable interest. A member who has completed 5 Years of creditable service and leaves his contributions with the System May be continued in the membership of the System after separation from Service, and file application for service retirement after the attainment of Age 60.

Life Insurance

A separate Life Insurance fund has been created as June 30, 2000 to pay Benefits on behalf of deceased TRS active and retired members.

Death Benefits

A surviving spouse of an active member with less than 10 years of service May elect to receive an annual allowance of \$2,880 except that if income From other sources exceeds \$6,600 per year the annual allowance will be \$2,160.

A surviving spouse of an active member with 10 or more years of service May elect to receive an allowance which is the actuarial equivalent of the Allowance the deceased member would have received upon retirement. The allowance will commence on the date the deceased member would have Been eligible for service retirement and will be payable during the life of The spouse.

If the deceased member is survived by unmarried children under age 18 the following schedule of annual allowances applies:

Number of Children		Annual Allowance
1	\$	2,400
2	\$	4,080
3	\$	4,800
4 or more	\$	5,280

The allowances are payable until a child attains age 18, or age 23 if a Full-time student.

If the member has no eligible survivor, a refund of his accumulated Contributions is payable to his estate.

Options

In lieu of the regular Option 1, a retirement allowance payable in the Form of a life annuity with refundable balance, any member before Retirement may elect to receive a reduced allowance which is actuarially Equivalent to the full allowance, in one of the following forms:

Option 2. A single life annuity payable during the member's lifetime with Payments for 10 years certain.

Option 3. At the death of the member his allowance is continued throughout The life of the beneficiary.

Option 3(a). At the death of the beneficiary designated by the member

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

Under Option 3, the member's benefit will revert to what would have been paid had he not selected an option.

Option 4. At the death of the member one half of his allowance is Continued throughout the life of the beneficiary.

Option 4(a). At the death of the beneficiary designated by the member Under Option 4, the member's benefit will revert to what would have been Paid had he not selected an option.

Post-Retirement Adjustments The retirement allowance of each retired member and of each beneficiary Shall be increased by 1.5% each July 1.

Contributions

Tier 1, entry before 7/1/2002, employee contribution is 12.855% and employer match is 16.105%

Tier 2, entry between 7/1/2002-6/30/2008, employee contribution is 12.855% and employer match is 16.105%

Tier 3, entry before 7/1/2008-12/31/2021, employee contribution is 12.855% and employer match is 17.105%

Tier 4, entry on or after 1/1/2022, employee contribution is 14.75% and employer match is 13.75%

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

The District did not report a liability for the District's proportionate share of the net pension liability, pension expense, and deferred inflows and outflows of resources because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The net pension liability that was associated with the District follows.

State's proportionate share of the TRS net pension liability associated with the District	\$	65,785,150
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The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net pension liability 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. The District's proportion was 0.400100%.

Actuarial Methods and Assumptions

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Reporting Date	June 30, 2025
Inflation Rate	2.5%
Single Equivalent Interest Rate Prior	7.10%
Single Equivalent Interest Rate at	
Measurement Date	7.10%
Municipal Bond Index Rate Prior	3.66%

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

Municipal Bond Index Rate at	
Measurement Date	3.94%
Projected Salary Increase	3.0-7.5%, including inflation
Long-Term Expected Rate of Return	7.10

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

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

Target Allocations

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.

A summary of the target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS’s investment consultant, follows.

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

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

	100 %
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Discount Rate

The discount rate used to measure the total pension liability as of the Measurement Date 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 the Actuarially Determined Contribution (ADC) rates for all future fiscal years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease		Current Discount Rate		1% Increase
	6.10%		7.10%		8.10%
State's proportionate share of net pension liability	\$ 87,692,541	\$	65,785,150	\$	52,049,473

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TRS financial report which is publicly available at <http://www.TRS.ky.gov/>.

County Employees Retirement System

Non-Hazardous

Plan description

Substantially all full-time classified employees of the District participate in the County Employees Retirement System (“CERS”). CERS is a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky General Assembly and overseen by the Kentucky Public Pensions Authority (KPPA). The plan covers substantially all regular full-time members employed in non-hazardous duty positions of the school board. The plan provides for retirement, disability and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at <https://kyret.ky.gov>.

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

Benefits provided

Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions

Funding for CERS:

Tier I plan is provided by members, who contribute 5.00% of their creditable compensation.

Tier II plan members hired after September 1, 2008 contribute 6.00% of their creditable compensation. Further, 1% of these contributions are deposited to an account created for the payment of health insurance benefits.

Tier III plan members, who began participating on or after January 1, 2014, are required to contribute to the Cash Balance Plan. That plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Employee contributions to the plan are the same as the Tier II contributions. Tier III member accounts are also credited with an employer pay credit in the amount of 4% of the member's creditable compensation.

For the year ending June 30, 2025, employers were required to contribute 19.71% of the member's salary. The District contributed \$1,191,711 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 on an actuarial valuation as of that date. The District's proportion of the net pension liability, \$13,072,907 was based on contributions to CERS during the fiscal year ended June 30, 2024. The District's proportion was 0.218595%.

Deferred Inflows and Outflows of Resources, and Pension Expense included in the Schedule of Pension Amounts include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedule of Pension Amounts does not include deferred outflow/inflows of resources for changes in the employer's proportionate share of contribution or employer contributions made subsequent to the measurement date. The net pension liability as of June 30, 2025, is based on the June 30, 2022, actuarial valuation rolled forward. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are amortized over a closed five-year period.

The District recognized pension revenue of \$394,994 and reported deferred outflows of resources and deferred inflows of resources related to pensions as follows.

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 632,753	\$ -
Changes of assumptions	-	590,639
Net difference between projected and actual earnings on pension plan investments	897,428	1,738,605
Changes in proportion and differences between District contributions and proportionate share of contributions	1,217,613	-
District contributions subsequent to the measurement date	1,191,711	-
	\$ 3,939,505	\$ 2,329,244

The \$1,191,711 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 following year.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

	Year Ended June 30,
Year 1	\$ 302,786
Year 2	626,846
Year 3	(323,765)
Year 4	(187,317)
	\$ 418,550

Actuarial Valuation

KPPA’s actuary, Gabriel, Roeder, Smith & Co., completed the actuarial valuation for the calculation of the employer contribution rates for CERS and the Insurance Fund.

Summary of Actuarial Assumptions

The results of the actuarial valuation are based upon the assumptions and funding policies adopted by the Board and statutory funding requirements. The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year:

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets recognized
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30-year closed period at June 30, 2019, Gains/losses After 2019 will be amortized over separate closed 20-year Amortization bases
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP 2014 Mortality improvement scale using a base year of 2019
Phase-In Provision determined	Board certified rate is phased into the actuarially In accordance with HB 362 enacted in 2018
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.5%

Discount rate

A single discount rate of 6.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments.

Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.5%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	\$ 16,853,114	\$ 13,072,907	\$ 9,936,332

The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below for CERS Pension and Insurance Funds:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

Equity		
Public Equity	50 %	4.15 %
Private Equity	10 %	9.10 %
Fixed Income		
Core Fixed Income	10 %	2.85 %
Specialty Credit	10 %	3.82 %
Cash	0 %	1.70 %
Inflation Protected		
Real Estate	7 %	4.90 %
Real Return	13 %	5.35 %

Expected Real Return is 4.69%. Long Term Inflation Assumption is 2.5%. Expected Nominal Return of Portfolio is 7.19%.

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CERS financial report which is publicly available at <https://kyret.ky.gov>.

Payables to the pension plan

There are no payables to CERS.

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District’s employees participate in retirement systems of either TRS or CERS as described earlier. The following describes the other postemployment benefits for both systems.

TRS – General Information about the OPEB Plans

Health Insurance Trust (Medical Insurance Fund)

Plan description

In addition to the retirement annuity plan as described earlier, KRS 161.675 requires TRS to provide postemployment healthcare benefits to eligible members and dependents. The TRS Health Insurance Trust is funded by employer and member contributions. Changes made to the medical plans provided through the trust may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

Medical coverage through TRS is funded by a combination of contributions from employees, the state and other employers. Coverage is provided through an account established pursuant to 26 U.S.C. sec. 401(h) and 115 trust fund that went into effect on July 1, 2010. The insurance trust fund includes employer and retired member contributions required under KRS 161.550 and KRS 161.675(4) (b).

Benefits provided

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

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

Contributions

Contributions are made on behalf of TRS retired members toward payment of health insurance premiums. The amount of the member’s contribution is based on a table approved by the TRS board. Retired members pay premiums in excess of the monthly contribution. The Commonwealth of Kentucky bears risk for excess claims expenses that exceed the premium equivalents charged for the KEHP. The member postemployment medical contribution is 3.75% of salary. The employer postemployment medical contribution is 0.75% of member salaries.

Effective July 1, 2010, retirees under the age of 65 began a three-year phase-in of the Shared Responsibility Contribution. Effective July 1, 2012, the full Shared Responsibility Contribution equals the Standard Medicare Part B premium paid by retirees ages 65 and older.

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

The District reported a liability of \$4,613,000 for its proportionate share of the collective net OPEB liability (NOL). The collective net OPEB liability was valued as of June 30, 2023, and the total OPEB liability used to calculate the 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. The District’s proportion was 0.206947%.

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 as follows:

District's proportionate share of TRS net OPEB liability	\$	4,613,000
State's proportionate share of the TRS net OPEB liability associated with the District		4,109,000
	\$	8,722,000

The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following.

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	1,385,000
Changes of assumptions	1,175,000	-
Net difference between projected and actual earnings on pension plan investments	-	148,000
Changes in proportion and differences between District contributions and proportionate share of contributions	1,450,000	2,499,000
District contributions subsequent to the measurement date	385,620	-
	\$ 3,010,620	\$ 4,032,000

The \$385,620 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 collective net OPEB liability for the year. 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,
Year 1	\$ (411,000)
Year 2	(94,000)
Year 3	(152,000)
Year 4	(363,000)
Year 5	(336,000)
Thereafter	(51,000)
	\$ (1,407,000)

Actuarial Methods and Assumptions

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

Valuation Date	June 30, 2023
Discount Rate	7.10%
Inflation	2.5%
Real Wage Growth	.25%

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

Wage Inflation	2.75%
Salary Increase	3-7.5%, including wage inflation
Long-term Rate of Return	7.10%
Municipal Bond Index	3.94%
Single Equivalent Interest Rate	7.10%
Health Care Cost Trends	
Medical	6.5% at June 30, 2024, decreasing to an ultimate rate of 4.5% by June 30, 2031
Medicare Part B	5.92% at June 30, 2024 with an ultimate rate of 4.5% by June 30, 2035

Mortality rates were based on the Pub2010 (Teachers Amount Weighted) Mortality Table projected generationally with MP-2020 with various set-forward, set-backs, and adjustments for each groups: service retirees, contingent annuitants, disabled retirees, deferred vested retirees, and active members.

Target Allocations

The long-term expected rate of return on OPEB 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’s investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Large Cap US Equity	35.4 %	5.0 %
Small Cap US Equity	2.6 %	5.5 %
Developed International Equity	15.0 %	5.5 %
Emerging Markets Equity	5.0 %	6.1 %
Fixed Income	9.0 %	1.9 %
High Yield Bonds	8.0 %	3.8 %
Other Additional Categories	9.0 %	3.7 %
Real Estate	6.5 %	3.2 %
Private Equity	8.5 %	8.0 %
Cash	1.0 %	1.6 %
Total	100 %	

Discount Rate

The discount rate used to measure the TOL as of the measurement date was 7.10%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

No. 75. The projection's basis was an actuarial valuation performed as of June 30, 2023. In addition to actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The pre-65 retiree health care costs for members retired on or after July 1, 2010, were assumed to be paid by either the state or the retirees themselves.
- As administrative expenses, other than the administrative fee of \$8.00 per member per month (PMPM) paid to KEHP by TRS, were assumed to be paid in all years by the employer as they come due, they were not considered.
- Cash flows occur mid-year.
- Future contributions to the Health Insurance Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the health trust achieves a sufficient funded status, as determined by TRS's actuary, the following health trust statutory contributions are to be decreased, suspended, or eliminated:
 - Employee Contributions
 - Employer Contributions
 - State Contributions for KEHP premium subsidies payable to retirees who retire after June 30, 2010

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

In developing the adjustments to the statutory contributions in future years the following was assumed:

- Liabilities and cash flows are net of expected retiree contributions and any implicit subsidies attributable to coverage while participating in KEHP.
- For the purposes of developing estimates for new entrants, active headcounts were assumed to remain flat for all future years.

Based on these assumptions, the Health Insurance Trust's fiduciary net position (FNP) was not projected to be depleted.

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

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

	1% Decrease		Current Discount Rate	1% Increase
	6.10%		7.10%	8.10%
District's proportionate share of net OPEB liability	\$ 6,128,000	\$	4,613,000	\$ 3,357,000

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

	1% Decrease		Current Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 3,116,000	\$	4,613,000	\$ 6,473,000

Life Insurance Trust

Plan description and benefits provided

TRS administers the Life Insurance Trust as provided by KRS 161.655 to provide life insurance benefits to retired and active members. The benefit is financed by actuarially determined contributions from the 207 participating employers. The benefit is \$5,000 for members who are retired for service or disability, and \$2,000 for active contribution members.

Note: Members employed on a substitute or part-time basis and working at least 69% of a full contract year in a single fiscal year will be eligible for a life insurance benefit for the balance of the fiscal year or the immediately succeeding fiscal year under certain conditions. For non-vested members employed on a substitute or part-time basis, the life insurance benefit is provided if death occurs as the result of a physical injury on the job. For vested members employed on a substitute or part-time basis, death does not have to be the result of a physical injury on the job for life insurance benefits to be provided.

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.

Net OPEB Liability

The District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District as follows:

State's proportionate share of the TRS net OPEB

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

liability associated with the District \$ 94,000

Actuarial Assumptions

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

Valuation Date	June 30, 2023
Discount Rate	7.10%
Inflation	2.5%
Real Wage Growth	.25%
Wage Inflation	2.75%
Salary Increase	3-7.5%, including wage inflation
Long-term Rate of Return	7.10%
Municipal Bond Index	3.94%
Single Equivalent Interest Rate	7.10%
Health Care Cost Trends	
Medical	6.5% at June 30, 2024, decreasing to an ultimate rate of 4.5% by June 30, 2031
Medicare Part B	5.92% at June 30, 2024 with an ultimate rate of 4.5% by June 30, 2035

Mortality rates were based on the Pub2010 (Teachers Amount Weighted) Mortality Table projected generationally with MP-2020 with various set-forward, set-backs, and adjustments for each groups: service retirees, contingent annuitants, disabled retirees, deferred vested retirees, and active members.

Target Allocations

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	40.0 %	5.2 %
Developed International Equity	15.0 %	5.5 %
Emerging Markets Equity	5.0 %	6.1 %
Fixed Income	21.0 %	1.9 %
Other Additional Categories	5.0 %	4.0 %
Real Estate	7.0 %	3.2 %
Private Equity	5.0 %	8.0 %
Cash	2.0 %	1.6 %
Total	100 %	

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

As the Life Trust investment policy is to change, the above reflects the pension allocation and returns that achieve the targeted 8.00% long-term rate of return.

Discount Rate

The discount rate used to measure the total OPEB liability (TOL) as of the measurement date was 7.1%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB Statement No. 75. The projection's basis was an actuarial valuation performed as of June 30, 2023. In addition to actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of the life insurance cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 2.75%.
- The employer will contribute the actuarially determined contribution (ADC) in accordance with the Life Insurance Trust's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies.
- As administrative expenses were assumed to be paid in all years by the employer as they come due, they were not considered.
- Active employees do not explicitly contribute to the plan.
- Cash flows occur mid-year.

Based on these assumptions, the Life Insurance Trust's fiduciary net position (FNP) was not projected to be depleted.

Revenue or Expenses for TRS OPEB plans

For the year ended June 30, 2025, the District recognized OPEB revenue in the amount of \$620,486 for support provided on-behalf of the State.

CERS – General Information about the OPEB Plans

Employees' Health Plan

Plan description

The Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits. CERS Non-hazardous Insurance Plan is a cost-sharing multiple employer defined benefit Other Postemployment Benefits (OPEB) plan. The plan covers all regular full-time members employed in non-hazardous duty positions of the school board. OPEB may be extended to beneficiaries of plan members under certain circumstances.

Benefits provided

The Plan provides hospital and medical insurance for eligible members receiving benefits. The Insurance Fund will pay the cost of insurance premium for participating members prior to July 1, 2003

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

greater than 4 years of service, 25%, greater than 10 years of service, 50%, greater than 15 years of service, 75%, and greater than 20 years of service, 100%. For participating members after July 1, 2003 the benefit paid by the Insurance Fund is based on years of service the dollar amount per year of service is \$13.99 to be applied to the current cost premium.

Contributions

Requirements for medical benefits are a portion of the actuarially determined rates of covered payroll, as disclosed above. Current employees pay 1% toward the insurance fund.

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

The District reported an asset of \$378,024 for its proportionate share of the collective net OPEB liability which is 0.218536%.

Deferred Inflows and Outflows of Resources, and OPEB Expense included in the Schedules of OPEB Amounts include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedules of OPEB Amounts do not include deferred outflow/inflows of resources for changes in the employer's proportionate share of contributions or employer contributions made subsequent to the measurement date. The total OPEB liability, net OPEB liability (NOL), and sensitivity information are based on an actuarial valuation date of June 30, 2023. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2024, using generally accepted actuarial principles.

The District recognized OPEB revenue of \$1,036,774. The District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 209,723	\$ 2,974,303
Changes of assumptions	342,535	266,736
Net difference between projected and actual earnings on pension plan investments	332,681	676,989
Changes in proportion and differences between District contributions and proportionate share of contributions	432,572	137,459
District contributions subsequent to the measurement date	175,578	-
	\$ 1,493,089	\$ 4,055,487

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025

The \$175,578 (includes \$102,472 Implicit Subsidy) 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 collective net OPEB liability for the following year. 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,
Year 1	\$ (1,201,030)
Year 2	(847,366)
Year 3	(707,097)
Year 4	<u>17,517</u>
	<u>\$ (2,737,976)</u>

Implicit Employer Subsidy for non-Medicare retirees- The fully-insured premiums KRS pays for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB 74 and 75 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability.

Changes of Benefit Terms

None

Actuarial Methods and Assumptions to Determine the Total OPEB Liability and the Net OPEB Liability

For financial reporting, the actuarial valuation as of June 30, 2023, was performed by Gabriel Roeder Smith (GRA). The total OPEB liability, net OPEB liability, and sensitivity information, were based on an actuarial valuation as of June 30, 2021. The total OPEB liability was rolled-forward from the valuation to the plan's fiscal year ending June 30, 2023, using the generally accepted actuarial principles.

The following actuarial assumptions were used in performing the actuarial valuation:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets recognized
Amortization Method	Level Percent of Pay
Amortization Period	30-year closed period at June 30, 2019, Gains/losses incurring After 2019 will be amortized over separate closed 20-year

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

	Amortization bases
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP2014 Mortality improvement scale using a base year of 2019
Phase-In Provision	Board certified rate is phased into the actuarially determined rate In accordance with HB 362 enacted in 2018
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP-2014 Mortality improvement scale using a base year of 2019.
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.3% at January 1, 2023, gradually Decreasing to an ultimate trend rate of 4.05% over a period of 13 Years. The 2022 premiums were known at the time of the Valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.3% at January 1, 2023, gradually Decreasing to an ultimate trend rate of 4.05% over a period of 13 Years. The 2022 premiums were known at the time of the Valuation and were incorporated into the liability measurement.

Senate Bill 209 passed in the 2022 legislative session increased the insurance dollar contribution for members hired on or after July 1, 2003 by \$5 for each year of service each member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. House Bill 506 adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance from three months to one month under all circumstances.

Discount rate

Single discount rates of 5.99% were used to measure the total OPEB liability as of June 30, 2024. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.5%, and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20 Year Municipal GO AA Index". Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position on future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plans actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

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

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

	1% Decrease		Current Discount Rate		1% Increase
	4.99%		5.99%		6.99%
District's proportionate share of net OPEB (asset) liability	\$ 511,131	\$	(378,024)	\$	(1,125,627)

Health Care Trend Rate Sensitivity

The following presents the health care sensitivity rate of the District's proportionate share of the net pension liability:

	1% Decrease		Current Trend Rate		1% Increase
District's proportionate share of net OPEB (asset) liability	\$ (909,480)	\$	(378,024)	\$	241,084

OPEB plan fiduciary net position

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

NOTE G – COMMITMENTS

The District has commitments of \$3,019,322 as of June 30, 2025 for future construction projects. The District has committed fund balance for the General Fund of \$185,002 for compensated absences.

NOTE H - CONTINGENCIES

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

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

NOTE I - LITIGATION

The District has no pending or threatened litigation involving amounts exceeding \$10,000 individually or in the aggregate as of June 30, 2025.

NOTE J – INSURANCE AND RELATED ACTIVITIES

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, illegal acts, etc. Each of these risk areas is covered through the purchase of commercial insurance. The District has purchased certain policies, which are retrospectively rated and includes Workers’ Compensation insurance.

NOTE K – RISK MANAGEMENT

The District is exposed to various risks of loss related to illegal acts, torts, theft, damage, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. To obtain insurance for unemployment, errors and omissions, and general liability coverage, the District purchased commercial insurance policies and participates in a self-insured workers’ compensation plan. Settled claims have not exceeded coverage in any of the past three fiscal years, and there has been no significant reduction in insurance coverage during the current year.

The District evaluated potential concentrations and constraints as defined in GASB Statement No. 102, *Certain Risk Disclosures*, effective for the fiscal year ended June 30, 2025. Concentrations are exposures that could make the District vulnerable to the risk of a severe impact, and constraints are limitations that restrict the District’s ability to raise resources. Management determined that no concentrations or constraints exist at June 30, 2025 that meet the criteria for disclosure under GASB 102.

NOTE L – DEFICIT FUND AND OPERATING BALANCES

The following funds had an operating deficit at the end of the fiscal year causing a reduction in the fund balance/net position.

<u>Fund</u>	<u>Change in Net Position/ Net Change in Fund Balance</u>
Special Revenue Fund	\$ (179,270)
Construction Fund	(10,792,646)
Food Service	(289,139)
Flow Through Fund	(211)
District Activity	\$ (22,685)

NOTE M – COBRA

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

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

NOTE N – TRANSFER OF FUNDS

The following transfers were made during the year:

<u>Type</u>	<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
Operations	Capital Outlay	General Fund	Operations	\$ 271,123
Operations	Building Fund	General Fund	Operations	1,285,118
Operations	Food Service	General Fund	Indirect Costs	224,937
Debt Service	Building Fund	Debt Service	Debt Payments	3,861,430
Special Revenue	General Fund	Special Revenue	KETS Matching	\$ 64,525

NOTE O – ON-BEHALF PAYMENTS

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

<u>Plan/Description</u>	<u>Amount</u>
Kentucky Teachers Retirement System (GASB 68 & 75)	\$ 4,670,111
Health Insurance	4,314,376
Life Insurance	5,658
Administrative Fee	45,188
HRA/Dental/Vision	287,088
Federal Reimbursement	(325,865)
Technology	67,009
SFCC Debt Service Payments	395,411
Total	\$ <u>9,458,975</u>

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

NOTE P – PRIOR PERIOD ADJUSTMENTS

Government-Wide Impact of Restatements

The cumulative effect of the change in accounting principle and correction of prior period errors resulted in the following restatement of beginning net position as of July 1, 2024:

<u>Net Position: Government-wide</u>	<u>June 30, 2024 as Previously Reported</u>	<u>Change in Accounting Principle</u>	<u>Correction of Prior Period Errors</u>	<u>June 30, 2025 as Restated</u>
Governmental Activities	\$ 20,361,961	\$ (1,358,197)	\$ (210,952)	\$ 18,792,812
Business-type Activities	2,101,921	-	(13,482)	2,088,439
Total primary government	\$ <u>22,463,882</u>	\$ <u>(1,358,197)</u>	\$ <u>(224,434)</u>	\$ <u>20,881,251</u>

Change in Accounting Principle

During the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which establishes new recognition and measurement guidance for leave benefits attributable to services already rendered that

**GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended June 30, 2025**

accumulate or vest and are probable to be used or paid. The District previously recognized compensated absences using the termination payment method in accordance with GASB Statement No. 16. The cumulative effect of implementation of GASB Statement No. 101 was recorded as an adjustment to beginning net position of the governmental activities as of July 1, 2024. Implementation of GASB Statement No. 101 had no effect on the governmental fund financial statements because compensated absences are recognized in governmental funds only to the extent they are due and payable at year-end.

Correction of Prior Period Errors

During the fiscal year ended June 30, 2025, the District identified errors in the recording of certain grant revenue and related expenditures which resulted in adjustments to the General Fund and the Flow Through Fund. The FSPK Fund was restated to correct accounts payable balances that were overstated in the prior year. The Special Revenue Student Activity Fund – Lloyd W. Franks Scholarship cash account was restated to correct an understatement in the prior year.

Adjustments resulted in the restatement of beginning fund balances and beginning net position to correct these errors as follows:

Governmental Fund(s)		
General Fund		\$(594,800.00)
FSPK Fund		\$359,757.00
Special Revenue Student Activity Fund		\$24,091.00
Proprietary Fund(s)		
Flow Through Fund		\$(13,482.00)

NOTE Q – RESTRICTED FUNDS

The following funds had restricted fund balances:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
FSPK	\$ 1,470,000	School Facilities Construction Commission Requirement
General Fund	52,900	Scholarship
Capital Outlay	25,096	School Facilities Construction Commission Requirement
School Food Service	441,725	School Food Services
Other Proprietary	42,483	Flow Through Fund
District Activity	113,125	District Activities
Student Activity	709,581	Student Activities
Construction Fund	\$ 5,365,405	Future Construction Projects

NOTE R – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 31, 2025, the date of the audit report.

GRANT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CERS and TRS
For the Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)
COUNTY EMPLOYEE'S RETIREMENT SYSTEM (CERS):										
Districts' proportion of the net pension liability	0.21860%	0.19382%	0.18291%	0.19132%	0.20816%	0.21501%	0.22191%	0.22183%	0.219630%	0.21530%
District's proportionate share of the net pension liability	\$ 13,072,907	\$ 12,436,541	\$ 13,222,590	\$ 12,197,959	\$ 15,965,853	\$ 15,121,890	\$ 13,514,874	\$ 12,984,450	\$ 10,813,765	\$ 9,256,964
State's proportionate share of the net pension liability associated with the District	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 13,072,907</u>	<u>\$ 12,436,541</u>	<u>\$ 13,222,590</u>	<u>\$ 12,197,959</u>	<u>\$ 15,965,853</u>	<u>\$ 15,121,890</u>	<u>\$ 13,514,874</u>	<u>\$ 12,984,450</u>	<u>\$ 10,813,765</u>	<u>\$ 9,256,964</u>
District's covered-employee payroll	\$ 5,456,915	\$ 5,937,221	\$ 5,142,263	\$ 5,047,108	\$ 5,380,237	\$ 3,690,807	\$ 3,705,438	\$ 3,869,517	\$ 3,757,553	\$ 3,725,574
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	239.57%	209.47%	257.14%	241.68%	296.75%	409.72%	364.73%	335.56%	287.79%	248.47%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	52.42%	57.33%	47.81%	50.54%	53.54%	53.30%	59.00%	59.97%
KENTUCKY TEACHER'S RETIREMENT SYSTEM (TRS):										
Districts' proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	65,785,150	74,619,347	77,539,917	59,417,141	64,002,794	61,490,556	60,326,442	128,912,489	140,468,255	111,448,224
Total	<u>\$ 65,785,150</u>	<u>\$ 74,619,347</u>	<u>\$ 77,539,917</u>	<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>
District's covered-employee payroll	\$ 10,268,435	\$ 15,627,143	\$ 15,574,477	\$ 14,263,579	\$ 15,342,810	\$ 14,922,576	\$ 12,484,892	\$ 15,399,878	\$ 15,413,564	\$ 14,992,077
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability	60.36%	57.68%	56.41%	65.59%	58.27%	58.80%	59.30%	39.80%	35.22%	42.29%

See the accompanying notes to the required supplementary information.

GRANT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS
CERS and TRS
For the Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
COUNTY EMPLOYEE'S RETIREMENT SYSTEM (CERS):										
Contractually required contribution	\$ 1,191,711	\$ 998,107	\$ 1,516,697	\$ 1,385,834	\$ 1,210,245	\$ 1,293,260	\$ 1,200,732	\$ 1,056,896	\$ 1,010,522	\$ 899,417
Contributions in relation to the contractually required contributions	<u>1,191,711</u>	<u>998,107</u>	<u>1,516,697</u>	<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>
Contribution deficiency (excess)	<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	\$ 6,314,175	\$ 5,456,915	\$ 5,937,221	\$ 5,142,263	\$ 5,047,108	\$ 5,380,237	\$ 5,514,777	\$ 5,511,734	\$ 5,407,892	\$ 5,271,311
District's contributions as a percentage of it's covered-employee payroll	18.87%	18.29%	25.55%	26.95%	23.98%	24.04%	21.77%	19.18%	18.69%	17.06%
KENTUCKY TEACHER'S RETIREMENT SYSTEM (TRS):										
Contractually required contribution	\$ -	\$ -	\$ -	\$ 607,987	\$ 594,540	\$ 612,395	\$ 575,561	\$ 478,118	\$ 604,019	\$ 621,542
Contributions in relation to the contractually required contributions	<u>-</u>	<u>-</u>	<u>-</u>	<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>
Contribution deficiency (excess)	<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	\$ 13,982,730	\$ 10,268,435	\$ 15,627,143	\$ 15,574,477	\$ 14,263,579	\$ 15,342,810	\$ 14,922,576	\$ 12,484,892	\$ 15,399,878	\$ 15,413,564
District's contributions as a percentage of it's covered-employee payroll	0.00%	0.00%	0.00%	3.90%	4.17%	3.99%	3.86%	3.83%	3.92%	4.03%

See the accompanying notes to the required supplementary information.

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

Teachers Retirement System (TRS)

Retirement Annuity Trust

Changes of Benefit Terms

A new benefit tier was added for members joining the System on and after January 1, 2022. A description of the benefit provisions applicable to these members can be found in Schedule D of the 2023 Actuary Report of the TRS.

Changes of assumptions

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

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

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

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

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

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

Actuarial Methods and Assumptions

The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated as of June 30 on the three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of that schedule.

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry age
Inflation Rate	2.5%
Single Equivalent Interest Rate	7.10%
Municipal Bond Index Rate	3.66%
Projected Salary Increase	3.0-7.5%, including inflation
Investment Rate of Return	7.10%, net of pension plan investment expense, including inflation.

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

County Employee Retirement System (CERS)

Non-Hazardous

Changes of Benefit Terms

None.

Changes of assumptions

None.

Actuarial Methods and Assumptions

Based on the actuarial valuation report, the actuarial methods and assumptions used to calculate the contribution rates are as follows.

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets recognized
Amortization Method	Level Percent of Pay
Amortization Period	30-year closed period at June 30, 2019, Gains/losses incurring After 2019 will be amortized over separate closed 20-year Amortization bases
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP2014 Mortality improvement scale using a base year of 2019
Phase-In Provision	Board certified rate is phased into the actuarially determined rate In accordance with HB 362 enacted in 2018
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%

GRANT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
MEDICAL AND LIFE INSURANCE PLANS - TEACHERS' RETIREMENT SYSTEM
Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
MEDICAL INSURANCE PLAN								
District's proportion of the collective net OPEB liability (asset)	0.206947%	0.231532%	0.327920%	0.241935%	0.241105%	0.23959%	0.23664%	0.44904%
District's proportionate share of the collective net OPEB liability (asset)	\$ 4,613,000	\$ 5,639,000	\$ 8,141,000	\$ 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 (asset) associated with the District	<u>4,109,000</u>	<u>4,753,000</u>	<u>2,674,000</u>	<u>4,216,000</u>	<u>4,874,000</u>	<u>5,663,000</u>	<u>7,076,000</u>	<u>7,316,000</u>
Total	<u>\$ 8,722,000</u>	<u>\$ 10,392,000</u>	<u>\$ 10,815,000</u>	<u>\$ 9,407,000</u>	<u>\$ 10,959,000</u>	<u>\$ 12,675,000</u>	<u>\$ 10,203,000</u>	<u>\$ 16,272,000</u>
District's covered-employee payroll	\$ 10,268,435	\$ 15,627,143	\$ 15,574,477	\$ 14,263,579	\$ 15,342,810	\$ 10,686,578	\$ 10,983,190	\$ 11,086,694
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	44.92%	36.08%	52.27%	36.39%	39.66%	65.62%	74.76%	80.78%
Plan fiduciary net position as a percentage of the total OPEB liability	59.81%	52.97%	47.75%	39.05%	39.10%	32.60%	25.50%	21.20%
LIFE INSURANCE PLAN								
District's proportion of the collective net OPEB liability (asset)	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
District's proportionate share of the collective net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability (asset) associated with the District	<u>94,000</u>	<u>118,000</u>	<u>133,000</u>	<u>56,000</u>	<u>147,000</u>	<u>132,000</u>	<u>121,000</u>	<u>98,000</u>
Total	<u>\$ 94,000</u>	<u>\$ 118,000</u>	<u>\$ 133,000</u>	<u>\$ 56,000</u>	<u>\$ 147,000</u>	<u>\$ 132,000</u>	<u>\$ 121,000</u>	<u>\$ 98,000</u>
District's covered-employee payroll	\$ 10,268,435	\$ 15,627,143	\$ 15,574,477	\$ 14,263,579	\$ 15,342,810	\$ 10,686,578	\$ 10,983,190	\$ 11,086,694
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	80.56%	76.91%	73.97%	71.57%	71.60%	73.40%	75.00%	80.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30.

See the accompanying notes to the required supplementary information.

GRANT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS
MEDICAL AND LIFE INSURANCE PLANS
TEACHERS' RETIREMENT SYSTEM
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
MEDICAL INSURANCE PLAN								
Contractually required contributor	\$ 385,620	\$ 416,134	\$ 199,653	\$ 429,436	\$ 425,808	\$ 417,192	\$ 421,529	\$ 430,308
Contributions in relation to the contractually required contribution	<u>385,620</u>	<u>416,134</u>	<u>199,653</u>	<u>429,436</u>	<u>425,808</u>	<u>417,192</u>	<u>421,529</u>	<u>430,308</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 13,982,730	\$ 10,268,435	\$ 15,627,143	\$ 15,574,477	\$ 14,263,579	\$ 15,342,810	\$ 14,922,576	\$ 10,983,190
District's contributions as a percentage of it's covered-employee payroll	2.76%	4.05%	1.28%	2.76%	2.99%	2.72%	2.82%	3.92%
LIFE INSURANCE PLAN								
Contractually required contributor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 13,982,730	\$ 10,268,435	\$ 15,627,143	\$ 15,574,477	\$ 14,263,579	\$ 15,342,810	\$ 14,922,576	\$ 10,983,190
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30

See the accompanying notes to the required supplementary information.

GRANT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -HEALTH INSURANCE PLAN
COUNTY EMPLOYEE RETIREMENT SYSTEM
Year Ended June 30, 2025

	Reporting Fiscal Year (Measurement Date) 2025 (2024)	Reporting Fiscal Year (Measurement Date) 2024 (2023)	Reporting Fiscal Year (Measurement Date) 2023 (2022)	Reporting Fiscal Year (Measurement Date) 2022 (2021)	Reporting Fiscal Year (Measurement Date) 2021 (2020)	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)
HEALTH INSURANCE PLAN								
District's proportion of the collective net OPEB liability (asset)	0.218536%	0.193810%	0.182884%	0.191272%	0.208115%	0.21496%	0.22190%	0.22183%
District's proportionate share of the collective net OPEB liability (asset)	\$ (378,024)	\$ (267,587)	\$ 3,609,241	\$ 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 (asset) associated with the District	-	-	-	-	-	-	-	-
Total	\$ (378,024)	\$ (267,587)	\$ 3,609,241	\$ 3,661,807	\$ 5,025,344	\$ 3,615,480	\$ 3,939,790	\$ 4,459,562
District's covered-employee payroll	\$ 5,456,915	\$ 5,937,221	\$ 5,142,263	\$ 5,047,108	\$ 5,380,237	\$ 3,690,807	\$ 3,705,438	\$ 3,869,517
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	-6.93%	-4.51%	70.19%	72.55%	93.40%	97.96%	106.32%	115.25%
Plan fiduciary net position as a percentage of the total OPEB liability	104.89%	104.23%	60.95%	51.67%	51.67%	60.44%	57.62%	13.00%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30

See the accompanying notes to the required supplementary information.

GRANT COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - HEALTH INSURANCE PLAN
COUNTY EMPLOYEE RETIREMENT SYSTEM
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
HEALTH INSURANCE PLAN								
Contractually required contribution	\$ 175,578	\$ 148,631	\$ 223,170	\$ 232,609	\$ 253,822	\$ 285,277	\$ 258,499	\$ 255,470
Contributions in relation to the contractually	175,578	148,631	223,170	232,609	253,822	285,277	258,499	255,470
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 6,314,175	\$ 5,456,915	\$ 5,937,221	\$ 5,142,263	\$ 5,047,108	\$ 5,380,237	\$ 5,514,777	\$ 3,705,438
District's contributions as a percentage of it's covered-employee payroll	2.78%	2.72%	3.76%	4.52%	5.03%	5.30%	4.69%	6.89%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Amounts presented for each fiscal is determined as of June 30.

See the accompanying notes to the required supplementary information.

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

Teachers Retirement System (TRS)

Health Insurance Trust

Changes of Benefit Terms

None.

Changes of Assumptions

None.

Actuarial Methods and Assumptions

The health care trend rates, as well as the morbidity factors, were updated to reflect future anticipated experience.

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

Valuation Date	June 30, 2023
Discount Rate	7.10%
Inflation	2.5%
Real Wage Growth	.25%
Wage Inflation	2.75%
Salary Increase	3-7.5%, including wage inflation
Long-term Rate of Return	7.10%
Municipal Bond Index	3.94%
Single Equivalent Interest Rate	7.10%
Health Care Cost Trends	
Medical	6.5% at June 30, 2024, decreasing to an ultimate rate of 4.5% by June 30, 2031
Medicare Part B	5.92% at June 30, 2024 with an ultimate rate of 4.5% by June 30, 2035

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

Life Insurance Trust

Changes of Benefit Terms

None.

Changes of Assumptions

None.

Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of the schedule.

Valuation Date	June 30, 2023
Discount Rate	7.10%
Inflation	2.5%
Real Wage Growth	.25%
Wage Inflation	2.75%
Salary Increase	3-7.5%, including wage inflation
Long-term Rate of Return	7.10%
Municipal Bond Index	3.94%
Single Equivalent Interest Rate	7.10%
Health Care Cost Trends	
Medical	6.5% at June 30, 2024, decreasing to an ultimate rate of 4.5% by June 30, 2031
Medicare Part B	5.92% at June 30, 2024 with an ultimate rate of 4.5% by June 30, 2035

GRANT COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB

For the year ended June 30, 2025

County Employee Retirement System (CERS)

Non-Hazardous

Changes of Benefit Terms

None

Changes of assumptions

None.

Actuarial Methods and Assumptions

Based on the actuarial valuation report, the actuarial methods and assumptions used to calculate the contribution rates are as follows.

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets recognized
Amortization Method	Level Percent of Pay
Amortization Period	30-year closed period at June 30, 2019, Gains/losses incurring After 2019 will be amortized over separate closed 20-year Amortization bases
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP2014 Mortality improvement scale using a base year of 2019
Phase-In Provision	Board certified rate is phased into the actuarially determined rate In accordance with HB 362 enacted in 2018
Inflation	2.30%
Payroll Growth Rate	2.0%
Salary Increase	3.30% to 10.30%, varies by service
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience From 2013-2018, projected with the ultimate rates from MP-2014 Mortality improvement scale using a base year of 2019.
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.3% at January 1, 2023, gradually Decreasing to an ultimate trend rate of 4.05% over a period of 13 Years. The 2022 premiums were known at the time of the Valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.3% at January 1, 2023, gradually Decreasing to an ultimate trend rate of 4.05% over a period of 13 Years. The 2022 premiums were known at the time of the Valuation and were incorporated into the liability measurement.

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

	Other Governmental Funds			
	Special Revenue Student Activity	Capital Outlay	Special Revenue District Activity	Total
Assets				
Cash and cash equivalents	\$ 709,581	\$ 25,096	\$ 113,125	\$ 847,802
Total assets	709,581	25,096	113,125	847,802
Fund Balance				
Restricted	709,581	25,096	113,125	847,802
Total fund balance	\$ 709,581	\$ 25,096	\$ 113,125	\$ 847,802

Grant County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds
For the year ended June 30, 2025

	<u>Other Governmental Funds</u>			
	<u>Special Revenue Student Activity</u>	<u>Capital Outlay</u>	<u>Special Revenue District Activity</u>	<u>Total</u>
Revenues				
Earnings on investments	\$ -	\$ 412	\$ -	\$ 412
Student activities	794,854		2,500	797,354
Intergovernmental - state		293,565		293,565
Total revenues	<u>794,854</u>	<u>293,977</u>	<u>2,500</u>	<u>1,091,331</u>
Expenditures				
Instruction			22,576	22,576
Support Services				
Instructional Staff			2,609	2,609
Student support	716,087			716,087
Total expenditures	<u>716,087</u>	<u>-</u>	<u>25,185</u>	<u>741,272</u>
Excess (Deficit) of Revenues Over Expenditures	<u>78,767</u>	<u>293,977</u>	<u>(22,685)</u>	<u>350,059</u>
Other Financing Sources (Uses)				
Transfers (out)		(271,123)		(271,123)
Total other financing sources (uses)	<u>-</u>	<u>(271,123)</u>	<u>-</u>	<u>(271,123)</u>
Net Change in Fund Balance	78,767	22,854	(22,685)	78,936
Fund Balance Beginning	606,723	2,242	135,810	744,775
Prior period adjustment	24,091			24,091
Restated Fund Balance Beginning	<u>630,814</u>	<u>2,242</u>	<u>135,810</u>	<u>768,866</u>
Fund Balance Ending	<u>\$ 709,581</u>	<u>\$ 25,096</u>	<u>\$ 113,125</u>	<u>\$ 847,802</u>

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

	<u>SCHOOL ACTIVITY FUNDS</u>							
	<u>GRANT CO. HIGH SCHOOL</u>	<u>GRANT CO. MIDDLE SCHOOL</u>	<u>MASON CORINTH ELEMENTARY</u>	<u>SHERMAN ELEMENTARY</u>	<u>DRY RIDGE ELEMENTARY</u>	<u>CRITTENDEN MT. ZION ELEMENTARY</u>	<u>LLOYD W FRANKS SCHOLARSHIP</u>	<u>TOTAL</u>
ASSETS								
Cash and cash equivalents	\$ 467,170	\$ 96,837	\$ 14,164	\$ 18,051	\$ 41,223	\$ 32,338	\$ 39,798	\$ 709,581
Total assets	<u>467,170</u>	<u>96,837</u>	<u>14,164</u>	<u>18,051</u>	<u>41,223</u>	<u>32,338</u>	<u>39,798</u>	<u>709,581</u>
FUND BALANCE								
School activities	467,170	96,837	14,164	18,051	41,223	32,338	39,798	709,581
Total fund balance	<u>467,170</u>	<u>96,837</u>	<u>14,164</u>	<u>18,051</u>	<u>41,223</u>	<u>32,338</u>	<u>39,798</u>	<u>709,581</u>

Grant County School District
Combining Statement of Revenues, Expenses and Changes in Fund Balance - School Activity
Year ended June 30, 2025

	SCHOOL ACTIVITY FUNDS							LLOYD W FRANKS SCHOLARSHIP	TOTAL
	GRANT CO. HIGH SCHOOL	GRANT CO. MIDDLE SCHOOL	MASON CORINTH ELEMENTARY	SHERMAN ELEMENTARY	DRY RIDGE ELEMENTARY	CRITTENDEN MT. ZION ELEMENTARY			
Revenues									
Student/trust revenues	\$ 558,951	\$ 195,569	\$ 13,487	\$ 7,229	\$ 11,230	\$ 8,388	-	\$ 794,854	
Expenditures									
Student/trust activities	494,145	170,704	10,722	9,082	21,181	10,253	-	716,087	
Excess (Deficit) of Revenues Over Expenses	64,806	24,865	2,765	(1,853)	(9,951)	(1,865)	-	78,767	
Fund Balance-Beginning	402,364	71,972	11,399	19,904	51,174	34,203	15,707	606,723	
Prior Period Adjustment	-	-	-	-	-	-	24,091	24,091	
Restated Fund Balance-Beginning	-	-	-	-	-	-	39,798	630,814	
Fund Balance-Ending	\$ 467,170	\$ 96,837	\$ 14,164	\$ 18,051	\$ 41,223	\$ 32,338	\$ 39,798	\$ 709,581	

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

	FUND BALANCE BEGINNING	REVENUES	EXPENSES	TRANSFERS	FUND BALANCE ENDING
GENERAL	\$ 18,983	\$ 66,354	\$ 12,697	\$ (55,465)	\$ 17,176
STUDENT FEES	13,632	80,266	1,568	(41,929)	50,401
BOOK FUND	26,455	-	297	-	26,158
CHROMEBOOK INSURANCE	-	-	14,311	14,985	674
AP-ADVANCED PLACEMENT	1,225	-	1,015	180	390
SPANISH	86	-	29	-	57
YEARBOOK	8,261	1,360	824	(420)	8,377
ART	2,193	-	1,523	1,620	2,290
ARCHERY	3,959	13,573	7,336	630	10,826
MATH ACTIVITY ACCOUNT	192	-	-	-	192
BAND	2,043	800	13,345	11,410	908
CHILD DEVELOPMENT	306	-	1,096	1,005	215
CHORUS	8,747	-	706	-	8,041
GIUITAR CLASS	263	-	-	150	413
FOODS/COOKING CLASS	1,359	-	767	1,375	1,967
CULINARY CAFÉ	4,145	552	1,306	(290)	3,101
FCCLA	374	3,095	1,649	350	2,170
FORENSIC SCIENCE	49	-	-	-	49
HEALTH SCIENCES	1,916	95	2,280	1,838	1,569
FBLA	342	1,555	210	-	1,687
FFA	34,299	70,342	63,414	800	42,027
BIOLOGY - FIELD TRIP	878	-	-	-	878
HOSA-HEALTH OCCUPATION	3,487	6,391	7,463	-	2,415
NATL ENGLISH HONOR SOC	674	-	-	-	674
POETRY OUT LOUD	150	-	-	-	150
BOOK CLUB	384	-	-	-	384
JAG	17,915	225	18,261	211	90
JROTC	7,763	8,443	9,455	-	6,751
TSA-TECH STUDENT ASSOC	1,839	-	410	-	1,429
VEX ROBOTICS	50	-	-	-	50
ENGINEERING	679	-	-	678	1,357
PE ACCOUNT	292	-	-	-	292
MSD - LIFE SKILLS	404	-	-	-	404
NATL ART HONOR SOCIETY	530	-	-	-	530
ACADEMIC TEAM	1,749	1,000	1,515	1,000	2,234
MUSICAL THEATRE	3,156	8,844	7,688	-	4,312
CHOIR - TRIP	7,068	-	-	-	7,068
SOURCES OF STRENGTH	3,144	7,492	9,851	(60)	725
MEDIA	374	200	369	200	405
MARCHING BAND	38	4,476	4,312	228	430
MU ALPHA THETA	68	59	79	-	48
NATIONAL HONOR SOCIETY	677	1,264	1,214	-	727
PEP CLUB	882	-	-	-	882
PROM ACCOUNT	17,412	22,495	22,460	200	17,647
SENIOR CLASS	8,956	15,630	16,337	-	8,249
SKILLS USA	2,847	8,469	9,748	-	1,568
SPEECH & DRAMA	1,379	-	-	-	1,379
STUDENT COUNCIL	3,786	5,611	4,172	-	5,225
LOCKS	1,789	-	-	1,636	3,425
WINTER GUARD	100	3,298	10,427	7,229	200
PARKING STICKERS	2,150	-	-	2,532	4,682
BENEVOLENCE FUND	163	155	314	-	4
NATL SCIENCE HONOR SOC	-	-	-	-	-
TOBACCO/SMOKING	3,878	-	1,580	1,508	3,806
STUDENT INCENTIVES	1,568	-	672	-	896
ECAP / ILT	592	-	577	-	15
AUTO TECH	5,894	4,810	11,174	730	260
AD-ATHLETIC DIRECTOR	4,018	5,775	27,481	27,230	9,542
BASEBALL	-	12,174	8,709	1,800	5,265
BASS FISHING	5,542	10,100	10,433	1,000	6,209
BIOMEDICAL	1,199	135	1,641	2,355	2,048
BOYS BASKETBALL	19,717	48,613	59,891	16,411	24,850

Grant County School District
Statement of Revenues, Expenses, and Changes in Fund Balance - Grant County High School (CONTINUED)
For the year ended June 30, 2025

BOY'S GOLF	12,836	3,110	4,700	-	11,246
BOY'S SOCCER	1,863	4,949	7,745	4,556	3,623
CHEER	332	21,382	19,795	1,000	2,919
CROSS COUNTRY	14,948	6,839	8,435	(2,000)	11,352
DANCE TEAM	-	-	-	-	-
SOFTBALL - FASTPITCH	3,535	5,749	5,890	2,400	5,794
FOOTBALL	1,037	9,371	12,413	2,719	714
GIRL'S BASKETBALL	3,715	44,597	30,026	(14,591)	3,695
GIRL'S GOLF	7,397	6,795	4,796	(52)	9,344
TENNIS	4,502	570	3,607	-	1,465
TRACK	7,902	8,638	7,531	2,170	11,179
VOLLEYBALL	4,553	4,221	7,368	1,759	3,165
WRESTLING	636	5,861	5,041	800	2,256
DISTRICT BASKETBALL	75	-	-	-	75
DIST SOCCER BOYS/GIRLS	-	-	-	-	-
DISTRICT VOLLEYBALL 32ND	-	2,544	335	-	2,209
DISTRICT FAST PITCH	-	-	-	-	-
REGIONALS FAST PITCH	-	-	-	-	-
GIRL'S SOCCER	-	10,777	6,686	(2,956)	1,135
SOCIAL STUDIES	262	1,067	954	-	375
BJ TOLL SCHOLARSHIP	1,148	-	-	-	1,148
YORK SCHOLARSHIP FUND	25,234	-	-	-	25,234
FFA SCHOLARSHIP FUND	45,299	-	4,000	-	41,299
RELAY FOR LIFE	182	52	-	-	234
TEACHER'S LOUNGE	1,166	493	1,383	-	276
INFORMATION TECHNOLOGY	3,722	2,058	355	348	5,773
ELECTRICAL CLASS	2,837	-	947	1,660	3,550
WELDING	2	377	202	1,060	1,237
WELDING NIGHT CLASS	12,867	5,850	7,037	-	11,680
YOUTH SERVICE CENTER	-	-	-	-	-
LLOYD FRANKS SCHOLARSHIP	(15,707.00)	-	(15,707.00)	-	-
TOTALS	\$ 402,364	\$ 558,951	\$ 494,145	\$ -	\$ 467,170

Grant County School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
US Department of Agriculture				
Passed Through State Department of Education				
* School Breakfast Program	10.553			
Fiscal Year 24		7760005 24	\$ -	\$ 95,372
Fiscal Year 25		7760005 25	-	532,602
* National School Lunch Program	10.555			
Fiscal Year 24		7750002 24	-	274,115
Fiscal Year 25		7750002 25	-	1,454,378
* Summer Food Service Program For Children	10.559			
Fiscal Year 24		7690024 24	-	69,126
Fiscal Year 24		7740023 24	-	675,728
Child Nutrition Cluster Subtotal				<u>3,101,321</u>
Supper Program	10.558			
Fiscal Year 24		7790021 24	-	12,444
Fiscal Year 25		7790021 25	-	62,264
Fiscal Year 24		7800016 24	-	843
Fiscal Year 25		7800016 25	-	4,216
				<u>79,767</u>
State Administrative Grant for Nutrition	10.560			
Fiscal Year 25		7700001 25	-	2,404
Passed Through State Department of Agriculture				
Food Donation-Commodities	10.565			
Fiscal Year 25		510.4950	-	148,957
Total US Department of Agriculture				<u>3,332,449</u>
US Department of Education				
Passed Through State Department of Education				
Title I Grants to Local Educational Agencies	84.010A			
Fiscal Year 23		3100002 22	-	9,286
Fiscal Year 24		3100002 23	-	180,551
Fiscal Year 25		3100002 24	-	704,140
				<u>893,977</u>
* Special Education Grants to States	84.027A			
Fiscal Year 24		3810002 23	-	513,104
Fiscal Year 25		3810002 24	-	598,692
* Special Education - Preschool Grants	84.173A			
Fiscal Year 23		3800002-22	-	14,032
Fiscal Year 24		3800002-23	-	2,835
Special Education Cluster Subtotal				<u>1,128,663</u>
Title III-Limited English Proficiency	84.365A			
Fiscal Year 23		3300002 22	-	3,360
Fiscal Year 24		3300002 23	-	8,744
Fiscal Year 25		3300002 24	-	4,465
				<u>16,569</u>
Vocation Education - Basic Grants to States	84.048			
Fiscal Year 23		3710002 22	-	9,034
Fiscal Year 24		3710002 23	-	4,482
Fiscal Year 25		3710002 24	-	55,625
				<u>69,141</u>
ARTS IN MIND PROGRAM (AIMS)	84.351A			
Fiscal Year 25		315J	-	49,696

See the accompanying notes to the schedule of expenditures of federal awards.

Grant County School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
Supporting Effective Education	84.367A			
Fiscal Year 24		3230002-23	-	12,024
Fiscal Year 25		3230002-24	-	130,762
				<u>142,786</u>
* COVID-19- ARP ESSER	84.425U			
FY21 ARP Emergency Relief Fund		4300002-21	-	813,494
Deeper Learning		563J	-	71,250
* ARP ESSER Homeless Children and Youth II	84.425W			
Fiscal Year 24		4980002-21	-	19,480
Education Stabilization Fund Subtotal				<u>904,224</u>
Title IV Part A	84.424A			
Fiscal Year 23		3420002 22	-	5,193
Fiscal Year 24		3420002 23	-	8,277
Fiscal Year 25		3420002 24	-	43,182
				<u>56,652</u>
Total US Department of Education				<u><u>3,261,708</u></u>
U.S. Department of Health and Human Services				
Drug Free Communities Support	93.276			
Fiscal Year 24		500KA	-	35,033
Fiscal Year 25		500LA	-	76,913
				<u>111,946</u>
Northern KY Trauma Informed Schools	93.243			
Fiscal Year 24		551JI	-	12,940
Fiscal Year 25		551KI	-	41,536
				<u>54,476</u>
Total U.S. Department of Health and Human Services				<u><u>166,422</u></u>
Office of Safe and Supportive Schools				
School Based Mental Health Grant Program	84.184H			
Fiscal Year 24		534JW	-	68,407
Total Office of Safe and Supportive Schools				<u>68,407</u>
Total Expenditure of Federal Awards				<u><u>6,828,986</u></u>

* Major program

GRANT COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2025

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Grant County School District under the programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the 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 B – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed. For the year ended June 30, 2025, the District received food commodities totaling \$148,957.

NOTE D – INDIRECT COST RATE

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

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

And the State Committee for School District Audits

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits, in the Auditor Responsibilities and State Compliance Requirements sections contained in the Kentucky Public School Districts' Audit /Contract and requirements, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grant County School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Grant County School District's basic financial statements, and have issued our report thereon dated December 31, 2025. The Independent Auditor's Report on the financial statements included an emphasis-of-matter paragraph that was not a modification to the auditor's opinion, due to the correction of a material misstatement in prior period financial statements.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 and 2025-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

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

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. 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 certain matters that we reported to management of the District in a separate letter dated December 31, 2025.

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.

White & Associates, PSC

Richmond, Kentucky

December 31, 2025

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

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

And the State Committee for School District Audits

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 identified as subject to audit 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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements. 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.

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.

Report on Internal Control over Compliance

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

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

be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

White & Associates, PSC

Richmond, Kentucky

December 31, 2025

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

SUMMARY OF AUDITOR’S RESULTS

What type of report was issued for the financial statements?	Unmodified
Were there significant deficiencies in internal control disclosed?	Yes
If so, was any significant deficiencies material (GAGAS)?	Yes
Was any material noncompliance reported (GAGAS)?	No
Were there material weaknesses in internal control disclosed for major programs?	No
Were there any significant deficiencies in internal control for major programs disclosed that were not considered to be material weaknesses?	None Reported
What type of report was issued on compliance for major programs?	Unmodified
Did the audit disclose findings as it relates to major programs that Is required to be reported as described in the Uniform Guidance?	No
Major Programs	Child Nutrition Cluster [ALN 10.553, 10.555 & 10.559] Educational Stabilization Fund [ALN 84.425U & 84.425W] Special Education Cluster [ALN 84.027A, 84.173A]
Dollar threshold of Type A and B programs	\$750,000
Low risk auditee?	No

FINDINGS - FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

Finding 2025-001: Grant Accounting and Project Monitoring

Condition: The District’s process for periodically reviewing and maintaining grant project activity was not effectively performed over multiple fiscal years. As a result, several grant projects required adjustment during the current year to properly reflect activity. These adjustments included reclassification of revenue and expenditures recorded to incorrect projects, corrections of projects that were over-expended or under-expended and adjustments to accounts receivable and deferred revenue balances at year-end. Because these conditions developed over multiple years, prior period adjustments were necessary including the an adjustment to the General Fund and the Flow-Through fund totaling approximately \$594,800 and \$13,482, respectively.

GRANT COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year ended June 30, 2025

Criteria: District management is responsible for establishing and maintaining effective internal controls over grant accounting to ensure the accurate recording of all account balances at both month-end and fiscal year-end. Additionally, management must implement controls to prevent and detect material misstatements in a timely manner.

Cause: The District's process for monitoring grant activity was not consistently applied over multiple fiscal years. Grant projects were not periodically reviewed to ensure activity was properly recorded and aligned with available funding, resulting in errors accumulating over time.

Effect: Due to deficiencies in the design and execution of internal controls over grant accounting, the District's financial reporting process did not prevent or timely detect material misstatements resulting in material adjustments to assets, liabilities and fund balances.

Recommendation: We recommend the District implement and consistently perform periodic reviews of grant project activity within the Special Revenue Fund. This should include monitoring project-to-date balances, ensuring expenditures do not exceed available funding, reconciling accounts receivable and deferred revenue, and correcting errors in a timely manner. Management should also ensure staff responsible for grant accounting receive appropriate training.

Views of Responsible Officials and Planned Corrective Action: We are changing our process to review the project balances and balance sheet at the close of each month to ensure all accounts are correct. Many of the balances were unreconciled going back 15 plus years. We believe we have now the balances are correct going forward, this will be managed properly.

Finding 2025-002: Internal Controls Over Financial Reporting

Condition: Accounts payable was overstated in the FSPK fund, resulting in a prior period adjustment of approximately \$359,757.

Criteria: District management is responsible for establishing and maintaining effective internal controls over financial reporting to ensure the accurate recording of liabilities and other account balances at both month-end and fiscal year-end. Additionally, management must implement controls to prevent and detect material misstatements in a timely manner.

Cause: Liability balances were not periodically reviewed to ensure they remained valid and properly supported. As a result, an accounts payable balance originating in a prior fiscal year was carried forward and not identified timely.

Effect: Failure to review liability balances increases the risk that financial statements may be materially misstated due to the inclusion of unsupported or invalid liabilities.

GRANT COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year ended June 30, 2025

Recommendation: We recommend the District implement procedures to periodically review liability balances to ensure they are valid, supported, and accurately reported. This should include identifying and resolving any aged or unsupported balances in a timely manner.

Views of Responsible Officials and Planned Corrective Action: We are changing our process to review the project balances and balance sheet at the close of each month to ensure all accounts are correct.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings at the major federal award programs level.

GRANT COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2025

REFERENCE NUMBER 2024-001 Internal Controls Over Financial Reporting

Condition: The District failed to record state funding of approximately \$10,020,926, received in fiscal year 2023 for renovation purposes.

Current Status: The recommendation was adopted as of June 30, 2025 and no similar findings were noted in fiscal year 2025.



820 ARNIE RISEN BLVD., WILLIAMSTOWN, KY 41097
Phone: 859.824.3323 · Fax: 859.824.3508 · grant.kyschools.us

Lisa Smith, Board Chairperson
Gene Nelson, Vice Chairperson
Loretta Flerlage, Board Member
Debbie Worthington, Board Member
Emily McClanahan, Board Member

December 31, 2025

Kentucky Department of Education

Grant County School District respectfully submits the following corrective action plan for the year ended June 30, 2025.

White & Associates, PSC

1407 Lexington Road

Richmond, KY 40475

Audit period: July 1, 2024 to June 30, 2025

The findings from the December 31, 2025 schedule of findings and questioned costs is discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDING-FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

2025-001 Grant Accounting and Project Monitoring

Recommendation: We recommend the District implement and consistently perform periodic reviews of grant project activity within the Special Revenue Fund. This should include monitoring project-to-date balances, ensuring expenditures do not exceed available funding, reconciling accounts receivable and deferred revenue, and correcting errors in a timely manner. Management should also ensure staff responsible for grant accounting receive appropriate training.

Management Response to the Recommendation and Corrective Action Taken: We are changing our process to review the project balances and balance sheet at the close of each month to ensure all accounts are correct. Many of the balances were unreconciled going back 15 plus years. We believe we have now the balances are correct going forward, this will be managed properly.

2025-002 Internal Controls Over Financial Reporting

Recommendation: We recommend the District implement procedures to periodically review liability balances to ensure they are valid, supported, and accurately reported. This should include identifying and resolving any aged or unsupported balances in a timely manner.

Todd R. Moody, Superintendent

Dustin Plunkett
Assistant Superintendent/DPP

Jamie Kellam
Assistant Superintendent/Chief Academic Officer

Management Response to the Recommendation and Corrective Action Taken: We are changing our process to review the project balances and balance sheet at the close of each month to ensure all accounts are correct.

If the Kentucky Department of Education has questions regarding this plan, please call Brian Linder, Finance Officer, at (859) 824-3323.

Todd R. Moody, Superintendent

Dustin Plunkett
Assistant Superintendent/DPP

Jamie Kellam
Assistant Superintendent/Chief Academic Officer

MANAGEMENT LETTER POINTS

Grant County School District
Williamstown, Kentucky

In planning and performing our audit of the financial statements of the Grant County School District (District) for the year ended June 30, 2025, we considered the District's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the District's internal controls in our report dated December 31, 2025. This letter does not affect our report dated December 31, 2025, on the financial statements of the Grant County School District. The conditions observed are as follows:

Grant Co. High School & Mason Corinth Elem.

1-25

Statement of Condition: The deposit slips do not indicate that a second person is verifying the deposit.

Recommendation for Correction: Review Redbook procedures for guidance and corrective action.

Management Response to the Recommendation: Both bookkeepers were contacted and informed of their deficiency. We will do a spot audit in the first half of calendar year 2026 as well as remind all bookkeepers when they receive training in late January.

Grant Co. High School

2-25

Statement of Condition: Deposits are being held for multiple days over the \$100 accumulation limit.

Recommendation for Correction: Review Redbook procedures for guidance and corrective action.

Management Response to the Recommendation: The bookkeeper has been informed of their deficiency. We will go onsite in January, March, April and May and ask to see receipts to make sure deposits over \$100 is not being held.

3-25

Statement of Condition: Purchase Orders are being utilized; however, there were instances of the Purchase Orders being approved after the obligation of funds or purchase being made.

Recommendation for Correction: Review Redbook procedures for guidance and corrective action.

Management's Response to the Recommendation: Communication has been sent to all bookkeepers, principals, and managers that purchase orders must be approved before an item or service is ordered.

Mason Corinth Elementary & Crittenden MT Zion
4-25

Statement of Condition: Receipts are being made to accounts instead of the person remitting money.

Recommendation for Correction: Review Redbook procedures for guidance and corrective action.

Management's Response to the Recommendation: Additional training will be provided for both bookkeepers who are coding deposits incorrectly.

All prior year conditions have been implemented and corrected. Todd Moody, Superintendent, is the person responsible for initiation of the corrective action plan for the above conditions which will be implemented immediately, if any. The corrective action plan is the management response for each condition. We would like to thank the Finance Officer, Brian Linder, and their department for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Education, management, and others within the district and is not intended to be and should not be used by anyone other than these specified parties.

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
December 31, 2025