

GREENUP COUNTY SCHOOL DISTRICT
FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

GREENUP COUNTY SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

Kentucky State Committee for
School District Audits
Members of the Board of Education
Greenup County School District
Greenup, Kentucky

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 Greenup 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 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 Greenup County School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greenup 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 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, 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 Greenup 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 Greenup 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 pension and OPEB information, and budgetary comparison information on pages 4–8 and 52–62 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 Greenup County School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, school activity fund information, 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, school activity fund information, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

A handwritten signature in blue ink that reads "The Fyffe Jones Group, AC". The signature is written in a cursive, flowing style.

THE FYFFE JONES GROUP, AC

Ashland, Kentucky
January 30, 2026

GREENUP COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

As management of the Greenup 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 this report.

FINANCIAL HIGHLIGHTS

- The beginning unassigned fund balance for General Fund was \$4.6 million ending the Fiscal Year on June 30, 2025.
- The ending unassigned fund balance for General Fund decreased \$326 thousand to a balance of \$4.3 million ending the Fiscal Year on June 30, 2025.
- A decrease in unassigned fund balance is partially attributable to other funds needing more resources from the general fund than the prior year to cover their expenses.
- Beginning district-wide net position including capital assets and related long-term debt was \$2.7 million ending the Fiscal Year June 30, 2025.
- The ending district-wide net position decreased \$2.1 million to \$4.4 million ending the Fiscal Year June 30, 2025.
- The decrease in district-wide net position is attributable to the issuance of new bonded debt for capital improvements and the impact of post-retirement benefit related obligations, including the adoption of a new accounting standard related to compensated absences.
- The Fundable average daily attendance for the Fiscal Year ended June 30, 2025 was 2,634 thousand.
- The Fundable average daily attendance remained at 2,634 thousand for the 2025 Fiscal Year.
- During the 2025 Fiscal Year Greenup County Board of Education expended \$1.5 million on capital assets and made principal payments for the retirement of debt in the amount of \$1.4 million.

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 financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements 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 reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

GREENUP COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 facilities, student transportation, and operation of non-instructional services. Fixed assets and related debt are also supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, 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.

The basic governmental fund financial statements can be found on pages 11 and 13 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 18 through 52 of this report.

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4.5 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 is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

GREENUP COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Position for the periods ending June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Current Assets	\$ 7,822,036	\$ 10,788,453
Noncurrent Assets	<u>28,277,770</u>	<u>28,384,396</u>
Total Assets	\$ 36,099,806	\$ 39,172,849
 Deferred Outflows of Resources	 <u>\$ 5,482,312</u>	 <u>\$ 7,224,929</u>
 Current Liabilities	 \$ 3,134,031	 \$ 2,188,736
Long-Term Liabilities	<u>25,421,749</u>	<u>26,712,104</u>
Total Liabilities	\$ 28,555,780	\$ 28,900,840
 Deferred Inflows of Resources	 <u>\$ 8,558,826</u>	 <u>\$ 10,900,268</u>
 Invested in Capital Assets (Net of Debt)	 \$ 15,237,727	 14,857,439
Restricted	(432,722)	(107,461)
Unrestricted	<u>(10,337,493)</u>	<u>(8,153,308)</u>
Total Net Position	<u>\$ 4,467,512</u>	<u>\$ 6,596,670</u>

The following table presents a summary of the District's revenues and expenses for the fiscal years ending:

	<u>2025</u>	<u>2024</u>
Revenues:		
Taxes	\$ 9,733,941	\$ 8,765,354
State Aid Formula Grants	20,729,103	27,221,813
Operating Grants and Contributions	7,486,631	11,336,786
Capital Grants and Contributions	2,509,676	1,181,271
Charges for Services	56,816	67,939
Investment Earnings	384,081	534,756
Other	<u>1,077,869</u>	<u>4,187</u>
Total Revenues	\$ 41,978,117	\$ 49,112,106

GREENUP COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Expenses:

Instruction	\$ 19,227,557	\$ 25,457,419
Student Support Services	2,845,647	3,027,583
Staff Support	2,177,487	2,102,623
District Administration	2,099,735	1,543,533
School Administration	2,648,902	2,619,598
Business Support	591,520	726,320
Plant Operations	7,970,347	3,953,465
Student Transportation	3,138,683	2,857,898
Community Services	333,564	350,819
Day Care	-	-
Food Service	2,390,991	2,262,438
Interest on Long Term Debt	443,949	390,932
Total Expenses	\$ 43,868,382	\$ 45,292,628

**Excess (Deficiency) of Revenues
Over (Under) Expenses**

\$ (1,890,265)	\$ 3,819,478
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Revenue

The majority of revenue was derived from state-aid formula grants, 49%, with local taxes making up 23% of total revenue.

School Allocation

Instruction accounts for 44% for of the school level expenditures.

Comments on Budget Comparisons:

- The District's total fund revenue for the fiscal year ended June 30, 2025, net of Interfund transfers was \$39.8 million.
- General Fund Budget compared to actual revenue varied from line item to line item with the ending actual balance being \$12.4 million more than budget. This is primarily due to the On-Behalf payments from the State of Kentucky budget amounts not being accounted for in the budget as well as understating revenue in the budget.
- General Fund Budget compared to actual expenditures varied from line item to line item with the ending balance being 8.4 million more than budgeted. This is primarily due to the increase in spending in response to the increase in On-Behalf payments from the State of Kentucky mentioned above, as well as an increase in staffing due to student needs.
- The general fund balance was 4 million more favorable as a result of the above variances.

GREENUP COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$27.6 million. The investment in capital assets includes land, land improvements, buildings and improvements, technology equipment, machinery and equipment, and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$96 thousand, or 1%, which is due mostly to the disposal of school buses and annual depreciation expense for depreciable assets. Beyond the depreciation decrease, major capital asset events during the current fiscal year consisted primarily of the purchase of school buses and the completion of an alumni center facility.

	2025	2024	
	Governmental Activities	Governmental Activities	Variance
Land	\$ 136,284	\$ 136,284	\$ -
Construction in Progress	-	5,815,739	(5,815,739)
Buildings and Improvements	24,991,425	19,896,716	5,094,709
Infrastructure	108,571	117,323	(8,752)
Technology and Equipment	108,520	10,448	98,072
Machinery and Equipment	609,486	643,262	(33,776)
Vehicles	1,680,293	1,111,184	569,109
Total	\$ 27,634,579	\$ 27,730,956	\$ (96,377)

Long-term Debt – At the end of the current fiscal year, the District had total bonded debt outstanding of \$11.6 million. The District finances some vehicle acquisitions through loans secured through the Kentucky Interlocal School Transportation Association (KISTA), primarily acquisition of school buses. At June 30, 2025, the District had a liability recorded for outstanding KISTA loans in the amount of \$1.2 million. Employees of the District are eligible to receive from the District an amount equal to 30% of the value of accumulated sick leave upon retirement from the school system. At June 30, 2025, the liability for such costs was \$5.7 million.

	2025	2024	
	Governmental Activities	Governmental Activities	Variance
Revenue Bonds	\$ 11,620,000	\$ 12,820,000	\$ (1,200,000)
KISTA Loans	1,170,794	504,797	665,997
Accumulated Sick Leave	1,853,327	883,963	969,364
Total	\$ 14,644,121	\$ 14,208,760	\$ 435,361

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 overall budget. By law, the budget must have a minimum of 2% contingency. The district adopted a budget with a budgeted contingency of 4.1 million in the current 2025 school year.

Questions regarding this report should be directed to the Superintendent at (606) 473-9819, or to the Finance Director, (606) 473-9810, or by mail at 45 Musketeer Drive, Greenup, Kentucky 41144.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 5,152,983	\$ 646,581	\$ 5,799,564
Receivables (net of allowances for uncollectibles):			
Property Taxes	699,920	-	699,920
Intergovernmental - Federal	1,240,402	29,501	1,269,903
Inventories	-	52,649	52,649
Net OPEB Asset	215,864	33,385	249,249
Capital Assets, Not Being Depreciated	136,284	-	136,284
Capital Assets, Being Depreciated, Net	27,498,295	393,942	27,892,237
Total Assets	<u>\$ 34,943,748</u>	<u>\$ 1,156,058</u>	<u>\$ 36,099,806</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pensions	\$ 1,791,652	\$ 277,094	\$ 2,068,746
Deferred Outflows from OPEB	3,332,209	81,357	3,413,566
Total Deferred Outflows of Resources	<u>\$ 5,123,861</u>	<u>\$ 358,451</u>	<u>\$ 5,482,312</u>
Liabilities:			
Accounts Payable	\$ 1,077,690	\$ 12,249	\$ 1,089,939
Interest Payable	127,900	-	127,900
Noncurrent Liabilities:			
Portion Due or Payable Within One Year:			
Debt Obligations	1,445,838	-	1,445,838
Accrued Sick Leave	470,354	-	470,354
Portion Due or Payable After One Year:			
Debt Obligations	11,344,956	-	11,344,956
Accrued Sick Leave	1,382,973	-	1,382,973
Net Pension Liability	7,455,728	1,153,092	8,608,820
Net OPEB Liability	4,085,000	-	4,085,000
Total Liabilities	<u>\$ 27,390,439</u>	<u>\$ 1,165,341</u>	<u>\$ 28,555,780</u>
Deferred Inflows of Resources:			
Grant Revenues Received in Advance	\$ 561,993	\$ -	\$ 561,993
Deferred Inflows on Pensions	1,687,261	260,949	1,948,210
Deferred Inflows on OPEB	5,671,624	376,999	6,048,623
Total Deferred Inflows of Resources	<u>\$ 7,920,878</u>	<u>\$ 637,948</u>	<u>\$ 8,558,826</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	\$ 14,843,785	\$ 393,942	\$ 15,237,727
Restricted	250,000	(682,722)	(432,722)
Unrestricted	(10,337,493)	-	(10,337,493)
Total Net Position	<u>\$ 4,756,292</u>	<u>\$ (288,780)</u>	<u>\$ 4,467,512</u>

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instructional	\$ 19,227,557	\$ -	\$ 5,533,517	\$ -	\$ (13,694,040)	\$ -	\$ (13,694,040)
Support Services:							
Students	2,845,647	-	-	-	(2,845,647)	-	(2,845,647)
Instructional Staff	2,177,487	-	-	-	(2,177,487)	-	(2,177,487)
District Administration	2,099,735	-	-	-	(2,099,735)	-	(2,099,735)
School Administration	2,648,902	-	-	-	(2,648,902)	-	(2,648,902)
Business and Other Support Services	591,520	-	-	-	(591,520)	-	(591,520)
Operation and Maintenance of Plant	7,970,347	-	-	-	(7,970,347)	-	(7,970,347)
Student Transportation	3,138,683	-	-	-	(3,138,683)	-	(3,138,683)
Community Services	333,564	-	-	-	(333,564)	-	(333,564)
Facility Acquisition and Construction	-	-	-	2,509,676	2,509,676	-	2,509,676
Debt Service	443,949	-	-	-	(443,949)	-	(443,949)
Total Government Activities	41,477,391	-	5,533,517	2,509,676	(33,434,198)	-	(33,434,198)
Business-Type Activities:							
Food Service	\$ 2,390,991	\$ 56,816	\$ 1,953,114	\$ -	\$ -	\$ (381,061)	\$ (381,061)
Total Business-Type Activities	\$ 2,390,991	\$ 56,816	\$ 1,953,114	\$ -	\$ -	\$ (381,061)	\$ (381,061)
Total School District	\$ 43,868,382	\$ 56,816	\$ 7,486,631	\$ 2,509,676	(33,434,198)	(381,061)	(33,815,259)
General Revenues							
Taxes							
Intergovernmental Revenues							
Investment Earnings							
Other Local Revenues							
Miscellaneous							
Interfund Transfer							
Total General Revenues							
Change In Net Position							
Net Position, June 30, 2024							
Prior period adjustment							
Net Position, June 30, 2024, as restated							
Net Position, June 30, 2025							

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 5,114,408	\$ (644,937)	\$ 683,512	\$ 5,152,983
Receivables:				
Property Taxes	699,920	-	-	699,920
Intergovernmental - Federal	-	1,240,402	-	1,240,402
Total Assets	<u>\$ 5,814,328</u>	<u>\$ 595,465</u>	<u>\$ 683,512</u>	<u>\$ 7,093,305</u>
Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,814,328</u>	<u>\$ 595,465</u>	<u>\$ 683,512</u>	<u>\$ 7,093,305</u>
Liabilities:				
Accounts Payable	\$ 1,058,381	\$ 19,309	\$ -	\$ 1,077,690
Accrued Sick Leave	470,354	-	-	470,354
Total Liabilities	<u>\$ 1,528,735</u>	<u>\$ 19,309</u>	<u>\$ -</u>	<u>\$ 1,548,044</u>
Deferred Inflows of Resources				
Grant Revenue Received in Advance	\$ -	\$ 561,993	\$ -	\$ 561,993
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 561,993</u>	<u>\$ -</u>	<u>\$ 561,993</u>
Fund Balances:				
Restricted - Accrued Sick Leave	\$ 250,000	\$ -	\$ -	\$ 250,000
Restricted - Other	-	14,163	491,256	505,419
Committed	-	-	192,256	192,256
Unassigned	4,035,593	-	-	4,035,593
Total Fund Balances	<u>\$ 4,285,593</u>	<u>\$ 14,163</u>	<u>\$ 683,512</u>	<u>\$ 4,983,268</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,814,328</u>	<u>\$ 595,465</u>	<u>\$ 683,512</u>	<u>\$ 7,093,305</u>

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Governmental Fund Balance	\$	4,983,268
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Amounts Reported for Governmental Activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		27,634,579
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Certain other assets and liabilities are not available to pay current period expenditures and therefore are not reported in the governmental funds.		(127,900)
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Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in governmental funds:

Deferred Outflows from Pensions		1,791,652
Deferred Outflows from OPEB		3,332,209
Deferred Inflows from Pensions		(1,687,261)
Deferred Inflows from OPEB		(5,671,624)

Long-term liabilities, including bonds payable and post-employment liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		(25,498,631)
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Net Position of Governmental Activities	\$	4,756,292
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See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 8,591,699	\$ -	\$ 1,142,242	\$ 9,733,941
Interest Income	273,061	-	-	273,061
Intergovernmental - State	20,729,103	1,420,016	1,511,318	23,660,437
Intergovernmental - Federal	104,473	4,009,028	998,358	5,111,859
Other Local Revenues	147,300	53,846	869,281	1,070,427
Total Revenues	<u>\$ 29,845,636</u>	<u>\$ 5,482,890</u>	<u>\$ 4,521,199</u>	<u>\$ 39,849,725</u>
Expenditures:				
Instruction	\$ 15,822,106	\$ 4,400,498	\$ 903,934	\$ 21,126,538
Students	2,596,561	141,967	-	2,738,528
Instructional Staff	2,131,136	46,250	101	2,177,487
District Administration	2,020,694	-	-	2,020,694
School Administration	2,549,189	-	-	2,549,189
Business and Other Support Services	569,253	-	-	569,253
Operation and Maintenance of Plant	3,287,967	240,512	4,141,839	7,670,318
Student Transportation	3,020,347	-	186	3,020,533
Community Services	-	333,564	-	333,564
Debt Service	723,746	-	1,091,491	1,815,237
Total Expenditures	<u>\$ 32,720,999</u>	<u>\$ 5,162,791</u>	<u>\$ 6,137,551</u>	<u>\$ 44,021,341</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,875,363)</u>	<u>\$ 320,099</u>	<u>\$ (1,616,352)</u>	<u>\$ (4,171,616)</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Assets	\$ 13,103	\$ -	\$ -	\$ 13,103
Proceeds from Financed Purchases	834,675	-	-	834,675
Operating Transfers In	1,868,665	45,737	927,810	2,842,212
Operating Transfers Out	(166,691)	(350,221)	(2,205,301)	(2,722,213)
Total Other Financing (Uses) Sources	<u>\$ 2,549,752</u>	<u>\$ (304,484)</u>	<u>\$ (1,277,491)</u>	<u>\$ 967,777</u>
Net Change in Fund Balances	<u>\$ (325,611)</u>	<u>\$ 15,615</u>	<u>\$ (2,893,843)</u>	<u>\$ (3,203,839)</u>
Fund Balances, June 30, 2024	\$ 4,611,204	\$ (1,452)	\$ 3,577,355	\$ 8,187,107
Fund Balances, June 30, 2025	<u>\$ 4,285,593</u>	<u>\$ 14,163</u>	<u>\$ 683,512</u>	<u>\$ 4,983,268</u>

See Notes to the Basic Financial Statements.

GREENUP 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 FISCAL YEAR ENDED JUNE 30, 2025

Amounts Reported For Governmental Activities in the Statement of Net Position are Different Because:

Net Changes in Fund Balance - Governmental Funds	\$ (3,203,839)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	941,998	
Depreciation expense	<u>(1,552,697)</u>	(610,699)

Governmental funds report pension activity as expenditures when paid. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions and investment experience:

Pension Revenue, Net	1,245,888	
OPEB Revenue, Net	1,139,544	
Pension Expense, Net	37,006	
OPEB Expense, Net	<u>78,292</u>	2,500,730

Bond and capital lease payments are recognized as expenditures of current financial resources in the fund financial statements, but are reductions of liabilities in the Statement of Net Position.	1,368,678
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Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred for the following:

Long-term portion of accrued sick leave	(730,471)
Decrease in accrued interest	2,610

Bond and capital lease proceeds are recognized as revenues in the fund financial statements, but are increases in liabilities in the Statement of Net Position	(834,675)
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Change in Net Position of Governmental Activities	<u><u>\$ (1,507,666)</u></u>
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See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2025

	Food Service Fund	Total Proprietary Funds
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 646,581	\$ 646,581
Receivables:		
Intergovernmental - Federal	29,501	29,501
Inventories	52,649	52,649
Total Current Assets	<u>\$ 728,731</u>	<u>\$ 728,731</u>
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation	\$ 393,942	\$ 393,942
Net OPEB Asset	33,385	33,385
Total Noncurrent Assets	<u>427,327</u>	<u>427,327</u>
Total Assets	<u>\$ 1,156,058</u>	<u>\$ 1,156,058</u>
Deferred Outflows of Resources:		
Deferred Outflows from Pensions	\$ 277,094	\$ 277,094
Deferred Outflows from OPEB	81,357	81,357
Total Deferred Outflows of Resources	<u>358,451</u>	<u>358,451</u>
Total Assets and Deferred Outflows	<u>\$ 1,514,509</u>	<u>\$ 1,514,509</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	\$ 12,249	\$ 12,249
Total Current Liabilities	<u>\$ 12,249</u>	<u>\$ 12,249</u>
Noncurrent Liabilities:		
Net Pension Liability	\$ 1,153,092	\$ 1,153,092
Net OPEB Liability	-	-
Total Liabilities	<u>\$ 1,165,341</u>	<u>\$ 1,165,341</u>
Deferred Inflows of Resources:		
Deferred Inflows from Pensions	\$ 260,949	\$ 260,949
Deferred Inflows from OPEB	376,999	376,999
Total Deferred Inflows of Resources	<u>\$ 637,948</u>	<u>\$ 637,948</u>
Net Position:		
Invested in Capital Assets	\$ 393,942	\$ 393,942
Restricted	(682,722)	(682,722)
Total Net Position	<u>(288,780)</u>	<u>(288,780)</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 1,514,509</u>	<u>\$ 1,514,509</u>

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Food Service Fund	Total Proprietary Funds
Operating Revenues:		
Lunchroom Sales	\$ 56,816	\$ 56,816
Other Operating Revenues	7,442	7,442
Total Operating Revenues	<u>\$ 64,258</u>	<u>\$ 64,258</u>
Operating Expenses:		
Salaries and Benefits	\$ 1,037,346	\$ 1,037,346
Contract Services	63,240	63,240
Materials and Supplies	1,073,214	1,073,214
Depreciation	57,338	57,338
Other Operating Expenses	159,853	159,853
Total Operating Expenses	<u>\$ 2,390,991</u>	<u>\$ 2,390,991</u>
Operating Gain / (Loss)	<u>\$ (2,326,733)</u>	<u>\$ (2,326,733)</u>
Nonoperating Revenues:		
Federal Grants	\$ 1,638,034	\$ 1,638,034
State Grants	173,203	173,203
Donated Commodities	141,877	141,877
Interest Income	111,020	111,020
Total Nonoperating Revenues	<u>\$ 2,064,134</u>	<u>\$ 2,064,134</u>
Other Financing Sources / (Uses):		
Operating Transfers In	\$ -	\$ -
Operating Transfers (Out)	(120,000)	(120,000)
Total Other Financing Sources / (Uses)	<u>\$ (120,000)</u>	<u>\$ (120,000)</u>
Increase / (Decrease) in Net Position	<u>\$ (382,599)</u>	<u>\$ (382,599)</u>
Net Position, June 30, 2024	\$ 93,819	\$ 93,819
Net Position, June 30, 2025	<u><u>\$ (288,780)</u></u>	<u><u>\$ (288,780)</u></u>

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Food Service Fund	Daycare Fund	Total Proprietary Funds
Cash flows from operating activities:			
Cash received from:			
Lunchroom sales	\$ 56,816	\$ -	\$ 56,816
Other operating revenues	7,442	-	7,442
Cash paid for:			
Employees (less on behalf of payments, pension and OPEB change)	(1,037,346)	-	(1,037,346)
Supplies (less commodities and capital purchases)	(1,249,246)	-	(1,249,246)
Net cash provided/(used) for operating activities	<u>\$ (2,222,334)</u>	<u>\$ -</u>	<u>\$ (2,222,334)</u>
Cash flows from noncapital financing activities:			
Government grants	\$ 1,811,237	\$ -	1,811,237
Transfers from other funds	-	-	-
Transfers (to) other funds	(120,000)	-	(120,000)
Net cash provided by noncapital financing activities	<u>\$ 1,691,237</u>	<u>\$ -</u>	<u>\$ 1,691,237</u>
Cash flows from investing activities:			
Interest received on investments	\$ 111,020	\$ -	\$ 111,020
Net cash provided by investing activities	<u>\$ 111,020</u>	<u>\$ -</u>	<u>\$ 111,020</u>
Net increase/(decrease) in cash and cash equivalents	\$ (420,077)	\$ -	\$ (420,077)
Cash and cash equivalents, June 30, 2024	<u>\$ 1,066,658</u>	<u>\$ -</u>	<u>\$ 1,066,658</u>
Cash and cash equivalents, June 30, 2025	<u><u>\$ 646,581</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 646,581</u></u>
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (2,326,733)	\$ -	\$ (2,326,733)
Adjustments to reconcile operating loss to			
Net cash used for operating activities:			
Depreciation	\$ 57,338	\$ -	\$ 57,338
Donated commodities	141,877	-	141,877
Employee benefits paid by KDE	(217,958)	-	(217,958)
Net pension adjustment	14,640	-	14,640
Net OPEB adjustment	71,316	-	71,316
Change in assets and liabilities:			
Inventory	14,172	-	14,172
Accounts receivable	23,014	-	23,014
Net cash used for operating activities	<u><u>\$ (2,222,334)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,222,334)</u></u>
Non-cash items:			
Employee benefits paid by KDE	\$ 217,958	\$ -	\$ 217,958
Donated commodities	\$ 141,877	\$ -	\$ 141,877

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities:

A. Reporting Entity

The Greenup County Board of Education (the "Board"), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the Greenup County School District (the "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 as Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Board. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as 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. Copies of component unit reports may be obtained from the District's Finance Office at 45 Musketeer Drive, Greenup, Kentucky 41144.

Greenup County School District Finance Corporation - On September 27, 1993, the Greenup County Board of Education resolved to authorize the establishment of the Greenup County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the Board for financing the costs of school building facilities. The Board Members of the Greenup County Board of Education also comprise the Corporation's Board of Directors.

B. Summary of Significant Accounting Policies and Description of Funds

Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide Statements - Provide information about the primary government (the District). The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government and business-type activities of the District. Governmental

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities (Cont.):

activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

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.

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 - 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

The District has the following funds:

I. Governmental Fund Types

(A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unassigned fund balances are considered as resources available for use. This is a major fund of the District.

(B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of the specified project periods as well as the state grant programs.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities (Cont.):

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.

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

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

ii. The Facility Support Program of Kentucky Fund (FSPK) accounts for funds generated by the building tax levy and also participates in the Kentucky 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.

iii. The Construction Fund includes Capital Projects Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This is a major fund of the District.

(D) Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest and related costs; and, for the payment of interest on general obligation notes payable, as required by Kentucky law.

II. Proprietary Fund Type (Enterprise Fund)

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

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. Propriety and fiduciary funds also use the accrual basis of accounting.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities (Cont.):

Revenues - Exchange and Non-exchange Transactions - Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

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 school year is reported in the statement of revenues, expenses, and changes in net position as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are appropriated in the next year. A reservation of fund balance equal to outstanding encumbrances at year-end is provided for at June 30, 2025. Accordingly, no differences exist between actual results and the applicable budgetary data presented in the accompanying combined financial statements related to encumbrance accounting. Encumbrances outstanding at year-end are reported in the appropriate fund balance category (restricted, committed, or assigned) since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities (Cont.):

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide 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 fund. 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. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	Governmental Activities
	<u>Estimated Lives</u>
Buildings and improvements	25-50 years
Infrastructure	20 years
Technology and equipment	5 years
Machinery and equipment	5-10 years
Vehicles	5-10 years
Food service equipment	10-12 years

Interfund Activity

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

Cash and Cash Equivalents

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

Inventories

Supplies and materials are charged to expenditures when purchased with the exception of the Proprietary Funds, which records inventory at cost, on the first-in, first-out basis, using the accrual basis of accounting.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities (Cont.):

Budgetary Process

The District is required by state law to adopt annual budgets for the general fund, special revenue fund, capital outlay fund and the food service fund. The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major difference between the budgetary basis and the GAAP basis is that on-behalf payments made by the state for the District are not budgeted. See Note (14) for these amounts which were not known by the District at the time the budget was adopted.

Property Taxes

Property taxes collected are recorded as revenues in the fund for which they were levied. The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business property located in the District.

The tax rates assessed for the year ended June 30, 2025, to finance general fund operations were \$.846 on real estate and \$.494 on motor vehicles, per \$100 valuation.

Taxes are due on October 1 and become delinquent by February 1 following the October 1 levy date. Current tax collections for the year ended June 30, 2025, were approximately 93.46% of the tax levy.

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 judgments, the noncurrent portion of capital leases, accumulated sick leave, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, all 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.

Fund Balance Reserves

The District reserves those portions of fund balances which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion, which is available for appropriation in future periods. Fund balances reserves have been established for accrued sick leave. Unreserved fund balances are composed of designated and undesignated portions. The undesignated portion of the unreserved fund balance represents that portion of fund balance that is available for budgeting in future periods. Designated fund balances represent tentative plans for future use of financial resources.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities (Cont.):

Fund Equity

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- I. Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- II. Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.
- III. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member School Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2025. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- IV. Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the Board has assigned those amounts to the purposes of the respective funds.
- V. Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the propriety funds. For the District, those revenues are primarily charges for meals provided by the various schools. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the foods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities (Cont.):

Interfund Activity

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

Restricted Resources

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. If an expense is incurred for purposes for which committed, assigned, and unrestricted fund balances are all available, the fund balances should be reduced in the following order: committed, assigned, and then unrestricted.

Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period.

Balances of deferred outflows of resources may be presented in the statement of net position or governmental fund balance sheet as aggregations of different types of deferred amounts. For the fiscal year ended June 30, 2025, the District reported deferred outflows of resources on the government-wide financial statements for deferred pension contributions, deferred pension and OPEB payments, and advance refunding bond payments.

Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period.

Balances of deferred inflows of resources may be presented in the statement of net position or governmental fund balance sheet as aggregations of different types of deferred amounts. For the fiscal year ended June 30, 2025, the District reported deferred inflows of resources on the government-wide financial statements for deferred pension investment earnings, and deferred OPEB investment earnings.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Nature of Activities (Cont.):

Pensions and OPEB

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, OPEB, pension expense, and OPEB 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 (“KTRS”) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pensions and OPEB. 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.

Note 2 – Commitments, Contingencies, and Subsequent Events:

All commitments, contingencies, and subsequent events have been evaluated by management and have been properly disclosed up through January 30, 2026, the date of this report.

Note 3 – Estimates:

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

Note 4 – Cash and Cash Equivalents:

The funds of the District must be deposited and invested under the terms of a contract. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. At June 30, 2025, the carrying amount of the Board's cash and cash equivalents was \$5.8 million and the bank balances totaled \$5.8 million including school activity. Of the total bank balances, up to \$250,000 was secured by Federal Depository insurance and the remaining amount was covered by a collateral agreement and collateral held by the pledging banks' trust departments in the District's name.

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risks are as follows:

Category 1 - Deposits, which are insured or collateralized with securities, held by the District or by its agent in the District's name.

Category 2 - Deposits, which are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Category 3 - Deposits, which are not collateralized or insured.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 4 – Cash and Cash Equivalents (Cont.):

Based on these three levels of risk, the District's uninsured cash deposits are classified as Category 2.

General Fund cash and cash equivalents at June 30, 2025, consisted of an interest bearing checking account.

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) Fund, Education Building Fund, Special Revenue (Grant) Funds, Bond and Interest Redemption Fund, School Food Service Funds, and School Activity Funds.

Note 5 – Capital Assets:

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

Governmental Activities	Balance June 30, 2024	Additions	Disposals	Balance June 30, 2025
Land	\$ 136,284	\$ -	\$ -	\$ 136,284
Construction in Progress	5,815,739	-	(5,815,739)	-
Buildings and Improvements	47,297,106	6,330,061	-	53,627,167
Infrastructure	487,081	-	-	487,081
Technology and Equipment	4,573,978	100,334	-	4,674,312
Machinery and Equipment	1,361,821	23,225	-	1,385,046
Vehicles	4,819,090	818,439	(609,151)	5,028,378
Total	\$ 64,491,099	\$ 7,272,059	\$ (6,424,890)	\$ 65,338,268
Less: Accumulated Depreciation:				
Buildings and Improvements	\$ (27,400,390)	\$ (1,235,352)	\$ -	\$ (28,635,742)
Infrastructure	(369,758)	(8,752)	-	(378,510)
Technology and Equipment	(4,563,530)	(2,262)	-	(4,565,792)
Machinery and Equipment	(718,559)	(57,001)	-	(775,560)
Vehicles	(3,707,906)	(249,330)	609,151	(3,348,085)
Total	\$ (36,760,143)	\$ (1,552,697)	\$ 609,151	\$ (37,703,689)
Governmental Activities Capital Assets - Net	<u>\$ 27,730,956</u>	<u>\$ 5,719,362</u>	<u>\$ (5,815,739)</u>	<u>\$ 27,634,579</u>

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 5 – Capital Assets (Cont.):

Business-Type Activities				
Food Service Equipment	\$ 1,524,408	\$ -	\$ -	\$ 1,524,408
Less: Accumulated Depreciation	(1,073,128)	(57,338)	-	(1,130,466)
Business-Type Activities				
Capital Assets - Net	<u>\$ 451,280</u>	<u>\$ (57,338)</u>	<u>\$ -</u>	<u>\$ 393,942</u>

Depreciation expense was allocated to governmental functions as follows:

Instruction	\$ 826,378
Student support	107,119
District administration	79,041
School administration	99,713
Business support services	22,267
Plant operation and maintenance	300,029
Student transportation	118,150
Total	<u>\$ 1,552,697</u>

Note 6 – Debt Obligations:

The amount shown in the accompanying financial statements as debt obligations represents the District's future obligations to make lease payments relating to the bonds issued by the Greenup County School District Financial Corporation and the Kentucky School Construction Commission aggregating \$17.1 million.

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

Issue Date	Proceeds	Rates
2013E	\$ 1,380,000	1.85%
2013	785,000	1.85% to 4.25%
2016-REF	4,745,000	0.85% to 2.30%
2020	1,570,000	2.00% to 2.50%
2020-REF	1,065,000	2.00% to 2.50%
2022	1,045,000	2.00% to 3.125%
2024	6,530,000	2.00% to 3.125%
Total	<u>\$ 17,120,000</u>	

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Greenup County School District Financial Corporation and the Kentucky School Construction Commission 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 proceeds from certain refunding issues have been placed in escrow accounts to be used to service the related debt.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 6 – Debt Obligations (Cont.):

The changes in the general long-term debt for the year ended June 30, 2025, were as follows:

	Balance June 30, 2024	Restatement	New Issues	Retirement	Balance June 30, 2025
General obligation bonds -					
\$17,120,000 originally issued					
with interest rates ranging from					
0.85% to 4.25%	\$ 12,820,000	\$ -	\$ -	\$ 1,200,000	\$ 11,620,000
KISTA Loans	504,797	-	834,675	168,678	1,170,794
Accumulated Sick Leave	883,963	238,893	730,471	-	1,853,327
Total	<u>\$ 14,208,760</u>	<u>\$ 238,893</u>	<u>\$ 1,565,146</u>	<u>\$ 1,368,678</u>	<u>\$ 14,644,121</u>

The District has entered into "participation agreements" with the School Facility Construction Commission. The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs.

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

Year	Greenup County School District		Kentucky School Facilities Construction Commission		Total Principal
	Principal	Interest	Principal	Interest	
26	\$ 1,006,300	\$ 351,145	\$ 233,700	\$ 50,454	\$ 1,240,000
27	1,039,306	323,018	240,694	45,259	1,280,000
28	521,814	289,981	163,186	39,402	685,000
29	384,032	274,175	165,968	35,873	550,000
30	396,170	260,800	168,830	32,259	565,000
2031-2035	1,960,413	1,092,676	544,587	111,985	2,505,000
2036-2040	2,282,179	692,386	427,821	50,206	2,710,000
2041-2045	1,995,897	187,023	89,103	4,198	2,085,000
	<u>\$ 9,586,111</u>	<u>\$ 3,471,204</u>	<u>\$ 2,033,889</u>	<u>\$ 369,636</u>	<u>\$ 11,620,000</u>

Future minimum debt service on notes payable to KISTA, at June 30, 2025, are as follows:

Year	Principal	Interest	Total
26	\$ 205,838	\$ 36,996	\$ 242,834
27	183,142	32,135	215,277
28	160,647	26,492	187,139
29	125,977	21,483	147,460
30	103,806	17,458	121,264
2031-2035	391,384	39,442	430,826
	<u>\$ 1,170,794</u>	<u>\$ 174,006</u>	<u>\$ 1,344,800</u>

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 7 – Accumulated Unpaid Sick Leave Benefits:

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accrued sick leave" in the general fund. The noncurrent portion of the liability is not reported in the fund financial statements.

As discussed in Note 17, in 2025 the District adopted a new accounting standard that requires all compensated absences earned, but not yet used, to be recorded and accrued as a liability, with consideration given to the likelihood of these absences being utilized. This activity and balance is reported on the government-wide financial statements.

Note 8 – Interfund Transfers:

Interfund transfers at June 30, 2025, consisted of the following:

Type	From	To	Purpose	Amount
Operating	Food Service	General	Indirect Costs	\$ 120,000
Operating	Special Revenue	General	Indirect Costs	350,221
Operating	General	Special Revenue	Technology	45,737
Operating	General	Construction	Capital Projects	120,954
Debt Service	Building	General	Bond Payments	1,172,202
Debt Service	Building	Debt Service	Bond Payments	806,856
Operating	Capital Projects	General	KISTA Bus Payment	226,243

Note 9 – Retirement Plans:

The District's employees are provided with two pension plans, based on each position's college degree requirement. The County Employees Retirement System covers employees whose position does not require a college degree or teaching certification. The Kentucky Teachers Retirement System covers positions requiring teaching certification or otherwise requiring a college degree.

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

Plan description: Substantially all full-time classified employees of the District participate in the County Employees Retirement Systems ("CERS"). CERS is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Kentucky General Assembly. The plan covers substantially all regular full-time members employed in non-hazardous duty position of each count and school board, and any additional eligible local agencies electing to participate in the plan. The plan provides for retirement disability and death benefits to plan members.

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. The report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road,

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 9 – Retirement Plans (Cont.):

Frankfort Kentucky, 40601, or by calling 502-654-4646 or at <https://kyret.ky.gov>.

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 is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending June 30, 2025, employers were required to contribute 19.71% (19.71% pension, 0.00% insurance) of the member's salary. During the year ending June 30, 2025, the District contributed \$1,060,831 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

General information about the Teachers' Retirement System of the State of Kentucky ("KTRS")

Plan description: Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through the Teachers' Retirement System of the State of Kentucky (KTRS)—a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the *Commonwealth's financial statements*—KTRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

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

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

Non-university members receive monthly payments equal to 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. Non-university members who became members on or after July 1, 2002, will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than 10 years. New members after July 1, 2002, who retire with 10 or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first 10 years. In addition, non-university members who retire July 1, 2004, and later with more than 30 years of service will have a multiplier for all years over 30 of 3%.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. 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.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 9 – Retirement Plans (Cont.):

For Members on or After July 1, 2008, and Before Jan. 1, 2022: Members become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

- 1.) Attain age 60 and complete five years of Kentucky service, or
- 2.) Complete 27 years of Kentucky service, or
- 3.) Attain age 55 and complete 10 years of Kentucky service.

The annual retirement allowance for non-university members is equal to: (a) 1.7% of final average salary for each year of credited service if their service is 10 years or less; (b) 2% of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) 2.3% of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) 2.5% of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) 3% of final average salary for years of credited service greater than 30 years.

The final average salary is the member's five highest annual salaries except members at least age 55 with 27 or more years of service may use their three highest annual salaries. 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.

For Members on or After Jan. 1, 2022: To qualify for monthly retirement benefits, payable for life, members must either:

- 1.) Attain age 57 and complete 10 years of Kentucky service, or
- 2.) Attain age 65 and complete five years of Kentucky service.

Foundational Benefit - The annual foundational benefit for members is equal to service times a multiplier times final average salary. The final average salary is the member's five highest annual salaries. 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.

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

Contributions: Contribution rates are established by Kentucky Revised Statutes (KRS). For members who began participating before Jan. 1, 2022, non- university members are required to contribute 12.855% of their salaries to the system; university members are required to contribute 10.4% of their salaries. KRS 161.565 allows each university to reduce the contribution of its members by 2.215%; therefore, university members contribute 8.185% of their salary to TRS. For members employed by local school districts, the state (as a non-employer contributing entity) contributes 13.105% of salary for those who joined before July 1, 2008, and 14.105% for those who joined on or after July 1, 2008, and before Jan. 1, 2022. Other participating employers are required to contribute the percentage contributed by members plus an additional 3.25% of members' gross salaries.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 9 – Retirement Plans (Cont.):

For members who began participating on or after Jan. 1, 2022, non-university members contribute 14.75% and university members contribute 9.775% of their salaries to the system. Employers of non-university members, including the state (as a non-employer contributing entity), contribute 10.75% of salary. University employers contribute 9.775% of member's salary to the system.

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for KTRS because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

	KTRS	CERS
District's proportionate share of the net pension liability	\$ -	\$ 8,608,820
Commonwealth's proportionate share of the net pension liability associated with the District	58,259,016	-
	<u>\$ 58,259,016</u>	<u>\$ 8,608,820</u>

The net pension liability for each plan was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2024, the District's proportion was 0.14395 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$159 thousand related to CERS and \$7.1 million related to KTRS. The District also recognized revenue of \$7.1 million for KTRS pension support provided by the Commonwealth.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 9 – Retirement Plans (Cont.):

At June 30, 2025, the District reported its proportionate share of CERS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 416,683	\$ -
Changes of assumptions	-	388,950
Net difference between projected and actual earnings on pension plan investments	591,232	1,144,733
Changes in proportion and differences between District contributions and proportionate share of contributions	-	414,527
District contributions subsequent to the measurement date	1,060,831	
Total	<u>\$ 2,068,746</u>	<u>\$ 1,948,210</u>

The \$1.1 million reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred (inflows) related to pensions will be recognized in pension expense as follows:

	Year ending June 30:
2026	\$ (711,875)
2027	107,706
2028	(212,772)
2029	(123,354)
2030	-
Total	<u>\$ (940,295)</u>

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

	CERS	KTRS
Inflation	2.50%	2.50%
Projected salary increases	3.30 - 10.30%	3.0%-7.50%
Investment rate of return, net of investment expense and inflation	6.50%	7.10%

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 9 – Retirement Plans (Cont.):

For CERS, the mortality table used for active members was a Pub-2010 General Mortality table, for the Nonhazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the below tables.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity - Public	50.00%	4.15%
Equity - Private	10.00%	9.10%
Core Fixed Income	10.00%	2.85%
Specialty Credit/High Yield	10.00%	3.82%
Cash Equivalent	0.00%	1.70%
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
	100.00%	4.69%

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

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 9 – Retirement Plans (Cont.):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap US Equity	35.4%	5.00%
Small Cap US Equity	2.6%	5.50%
Developed International Equity	15.7%	5.50%
Emerging Markets Equity	5.3%	6.10%
Fixed Income	15.0%	1.90%
High Yield Bonds	2.0%	3.80%
Other Additional Categories	8.0%	3.60%
Real Estate	7.0%	3.20%
Private Equity	7.0%	8.00%
Cash	2.0%	1.60%
	<u>100%</u>	

Discount rate - For CERS, the discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 6.50%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate - For KTRS, the discount rate used to measure the total pension liability as of the measurement date was 7.1%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in full at the current contribution rates and the employer contributions will be made at 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.

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

<u>CERS</u>	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
District's proportionate share of net pension liability	\$ 11,098,176	\$ 8,608,820	\$ 6,543,311
 <u>KTRS</u>	 <u>6.10%</u>	 <u>7.10%</u>	 <u>8.10%</u>
District's proportionate share of net pension liability	\$ -	\$ -	\$ -

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 9 – Retirement Plans (Cont.):

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

Note 10 – Other Postemployment Benefit (OPEB) Plans:

Kentucky Teachers Retirement System OPEB Plans:

Teaching-certified employees of the District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS)-a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (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 <https://trs.ky.gov/financial-reports-information/#CAFR>.

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

KTRS Medical Insurance Plan

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

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

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

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to KTRS Medical Insurance Plan

At June 30, 2025, the District reported a liability of \$4.1 million for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.346524% percent.

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

District's proportionate share of the KTRS net OPEB liability	\$ 4,085,000
Commonwealth's proportionate share of the KTRS net OPEB liability associated with the District	<u>3,639,000</u>
Total	<u><u>\$ 7,724,000</u></u>

For the year ended June 30, 2025, the District recognized OPEB expense of (\$128) thousand and revenue of \$339 thousand for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,227,000
Changes of assumptions	1,040,000	-
Net difference between projected and actual earnings on investments	-	131,000
Changes in proportion and differences between District contributions and proportionate share of contributions	1,326,000	1,876,000
District contributions subsequent to the measurement date	<u>440,163</u>	<u>-</u>
Total	<u><u>\$ 2,806,163</u></u>	<u><u>\$ 3,234,000</u></u>

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

Of the total amount reported as deferred outflows of resources related to OPEB, \$440 thousand is resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to OPEB will be recognized in the District's OPEB expense as follows:

	Year ending June 30:
2026	\$ (310,000)
2027	5,000
2028	(50,000)
2029	(255,000)
2030	(239,000)
Thereafter	(19,000)
Total	\$ (868,000)

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

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00%-7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Healthcare cost trend rates	
Medical Trend	6.50% for FY 2024 decrease to an ultimate rate of 4.50% by FY 2031
Medicare Part B Premiums	5.92% for FY 2024 with an ultimate rate of 4.50% by 2035
Municipal Bond Index Rate	3.94%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs, and adjustments for each of the groups; service, retirees, contingent annuitants, disabled retirees, and active members.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2020, adopted by the Board on September 20, 2021.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	35.4%	5.00%
Small Cap U.S. Equity	2.6%	5.50%
Developed International Equity	15.0%	5.50%
Emerging Markets Equity	5.0%	6.10%
Fixed Income	9.0%	1.90%
High Yield Bonds	8.0%	3.80%
Other Additional Categories	9.0%	3.70%
Real Estate	6.5%	3.20%
Private Equity	8.5%	8.00%
Cash	1.0%	1.60%
	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 75. The projection's basis was an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- 1) 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%.
- 2) 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.
- 3) As administrative expenses, other than the administrative fee of \$8.00 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.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

- 4) Cash flows occur mid-year.
- 5) Future contributions to the Health Trust were based upon the contribution rates defined in statute and the projected payroll of active employees. Per KRS 161.540(1)(c).3 and 161.550(5), when the Health Trust achieves a sufficient prefunded status, as determined by the retirement system's actuary, the following Health Trust statutory contributions are to be decreased, suspended, or eliminated:
 - a. Employee contributions
 - b. School District/University Contributions
 - c. 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 amounts in the years if/when the Health Trust is projected to achieve a Funded Ratio of 100% or more. Here, the current statutory amounts are adjusted to achieve total contributions equal to the Actuarially Determined Contribution (ADC), as determined by the prior year's valuation and in accordance with the Health Trust's funding policy. 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:

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

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

	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	\$ 5,427,000	\$ 4,085,000	\$ 2,973,000

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

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

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 2,759,000	\$ 4,085,000	\$ 5,732,000

KTRS Life Insurance Plan

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

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

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to KTRS Life Insurance Plan

At June 30, 2025, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of net OPEB liability	\$ -
Commonwealth's proportionate share of the net OPEB liability associated with the District	<u>83,000</u>
Total	<u><u>\$ 83,000</u></u>

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

The net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on the actual liability of the employees and former employees relative to the total liability of the Commonwealth as determined by the actuary. At June 30, 2024, the District's proportion was 0.338739%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$0 and revenue of \$10 thousand for support provided by the State.

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

Investment rate of return	7.10%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00%-7.50%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	3.94%
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the Pub-2010 (Teachers Benefit-Weighted) Mortality Table projected generationally with MP-2020 with various set-forwards, set-backs and adjustments for each of the groups: service, retirees, contingent annuitants, disabled retirees and active members. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2023, valuation were based on the results of the most recent actuarial experience study for the system, which covered the five-year period ending June 30, 2020, adopted by the board on September 20, 2021. The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends) used in the June 30, 2023 valuation of the Health Trust were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation. The health care cost trend assumption was updated for the June 30, 2023 valuation and was shown as an assumption change in the TOL roll-forward, while the change in initial per capita claims costs was included with experience in the TOL roll-forward.

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

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity	40.0%	5.20%
Developed International Equity	15.0%	5.50%
Emerging Markets Equity	5.0%	6.10%
Fixed Income	21.0%	1.90%
Other Additional Categories	5.0%	4.00%
Real Estate	7.0%	3.20%
Private Equity	5.0%	8.00%
Cash	2.0%	1.60%
	100%	

Discount rate - The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection's basis was an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of the life insurance cash flows:

- 1) 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%.
- 2) 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.
- 3) As administrative expenses were assumed to be paid in all years by the employer as they come due, they were not considered.
- 4) Active employees do not contribute to the plan.
- 5) Cash flows occur midyear.

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

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

	6.10%	7.10%	8.10%
District's proportionate share of net OPEB liability	\$ -	\$ -	\$ -

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

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

County Employees Retirement Systems OPEB Plan

Plan description: The County Employees Retirement System ("CERS") Insurance Fund was established to provide post-employment healthcare benefits to eligible members and dependents. The CERS Insurance Fund is a cost-sharing, multiple employer defined benefit plan administered by the Kentucky Retirement Systems' (KRS) board of trustees.

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>.

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

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

Contributions: CERS allocates a portion of the employer contributions to the health insurance benefit plans. For the year ending June 30, 5, CERS allocated 0% of the 19.71% actuarially required contribution rate paid by employers for funding the healthcare benefit. In addition, 1.00% of the contributions by employees hired after September 1, 2008 are allocated to the health insurance plan. During the year ending June 30, 2025, the District contributed \$0 to the CERS Insurance Fund. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Implicit Subsidy: 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. This implicit subsidy is included in the calculation of the total OPEB liability.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

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

At June 30, 2025, the District reported a liability (asset) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2024. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was based on an actuarial valuation as of June 30, 2023. An expected total pension liability (asset) as of June 30, 2024 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability (asset) was based on contributions to CERS during the fiscal year ended June 30, 2024. At June 30 2024, the District's proportion was 0.144091%.

The amount recognized by the District as its proportionate share of the OPEB liability is as follows:

District's proportionate share of the CERS net OPEB liability (asset)	\$ (249,249)
Commonwealth's proportionate share of the CERS net OPEB liability (asset) associated with the District	<u>-</u>
Total	<u><u>\$ (249,249)</u></u>

For the year ended June 30, 2025, the District recognized OPEB expense of (\$678) thousand, including an implicit subsidy of \$68 thousand. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 138,280	\$ 1,961,097
Changes of assumptions	225,850	175,871
Net difference between projected and actual earnings on investments	219,096	446,550
Changes in proportion and differences between District contributions and proportionate share of contributions	24,177	231,105
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u><u>\$ 607,403</u></u>	<u><u>\$ 2,814,623</u></u>

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 OPEB expense as follows:

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

	Year ending June 30:
2026	\$ (887,004)
2027	(682,494)
2028	(608,543)
2029	(29,179)
2030	-
Thereafter	-
Total	<u>\$ (2,207,220)</u>

Of the total amount reported as deferred inflows of resources related to OPEB, \$0 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2025.

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Payroll Growth	2.00%
Inflation	2.50%
Inflation Salary Increase	3.30% to 10.30%
Investment Rate of Return	6.50%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 7.10% at January 1, 2026 and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.
Post-65	Initial trend starting at 8.00% at January 1, 2026 and gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.
Mortality	
Pre-retirement	PUB-2010 General Mortality Table projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Post-retirement (non-disabled)	System-specific mortality table based on a mortality experience from 2013-2022, project with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and females rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

Assumption Changes - The discount rate used to calculate the total OPEB liability increased from 5.93% to 5.99% for the nonhazardous plan. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2023, valuation process and was updated to better reflect the plan's anticipated long-term healthcare cost increases. In general, the updated assumption is assuming higher future increases in pre-Medicare health care costs. The Total OPEB Liability as of June 30, 2024, is determined using these updated assumptions.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
Core Fixed Income	10.00%	2.85%
Specialized Credit	10.00%	3.82%
Cash	0.00%	1.70%
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
	100%	

Discount rate - The discount rate used to measure the total OPEB liability was 5.99%. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50%, and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and 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 plan's 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.

The following table presents the District's proportionate share of the collective net OPEB liability (asset) of the System, calculated using the discount rate of 5.99%, as well as what the District's proportionate share of the collective net OPEB liability (asset) 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:

	4.99%	5.99%	6.99%
District's proportionate share of net OPEB liability (asset)	\$ 337,013	\$ (249,249)	\$ (742,178)

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 10 – Other Postemployment Benefit (OPEB) Plans (Cont.):

Sensitivity of the District's proportionate share of the collective net OPEB liability (asset) to changes in the healthcare cost trend rates - The following presents the District's proportionate share of the collective net OPEB liability (asset), as well as what the District's proportionate share of the collective net OPEB liability (asset) 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 (asset)	\$ (599,663)	\$ (249,249)	\$ 158,958

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

Note 11 – Contingencies:

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

The District is subject to certain legal proceedings arising from normal business activities. Administrative officials believe that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the accompanying financial statements.

Note 12 – Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, the District carries their insurance with Kentucky Employers' Mutual Insurance (KEMI), which is located in Lexington Kentucky. KEMI is a mutual insurance company regulated by the Kentucky Department of Insurance. The District pays annual premiums for their coverage. The premium for workers' compensation is based on a formula. The District is assigned a classification code for their industry and each classification code has a corresponding rate. Multiplying the rate times the estimated payroll for operations then dividing by 100 will give the base premium, in some cases, modifiers may also be added, based on eligibility, which may increase or decrease the premium. In other cases, additional coverage may be requested that increase the premium.

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 13 – COBRA:

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

Note 14 – On-Behalf Payments:

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

Plan/Description	Amount
KTRS - Pension	\$ 3,786,642
KTRS - OPEB	349,166
Health and Life Insurance	3,991,991
Administrative Fee	44,276
HRA/Dental/Vision	305,886
Federal Reimbursement	(358,722)
Technology	61,853
Debt Service	284,635
Total On-Behalf	<u>\$ 8,465,727</u>

These amounts are included the Government-wide Statement of Activities as State Revenue and an expense allocated to the different functions in the same proportion as full-time employees.

Note 15 – Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2025, are as follows:

	General Current Expense Fund	Special Revenue Fund	Capital Outlay Fund	Construction Fund	Building Fund	School Activity Funds	District Activity Fund	Total Governmental Funds
Restricted:								
Accrued Sick Leave	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Other	-	14,163	-	-	-	-	33,557	47,720
Future Construction	-	-	-	263,215	-	-	-	263,215
SFCC Escrow - Current	-	-	10,875	-	183,609	-	-	194,484
Committed:								
Activity Funds	-	-	-	-	-	192,256	-	192,256
Unassigned	4,035,593	-	-	-	-	-	-	4,035,593
Total Fund Balance	<u>\$ 4,285,593</u>	<u>\$ 14,163</u>	<u>\$ 10,875</u>	<u>\$ 263,215</u>	<u>\$ 183,609</u>	<u>\$ 192,256</u>	<u>\$ 33,557</u>	<u>\$ 4,983,268</u>

Note 16 – Encumbrances:

The District had \$40 thousand in encumbrances as of June 30, 2025. These are reported in the General Fund and Special Revenue Fund, as Assigned to Site Based Carryforward.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 17 – Prior Period Adjustments:

The beginning net position of the governmental activities has been restated as follows:

During the fiscal year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences (GASB 101). The adoption of this new accounting principle required a change in the method of recognizing liabilities for compensated absences. As a result, the beginning net position was decreased by \$238,893. The cumulative effect of these adjustments is as follows:

	<u>Governmental Activities</u>
Net Position, June 30, 2024	\$ 6,502,851
Implementation of GASB 101	(238,893)
Net Position, June 30, 2024, As Restated	<u>\$ 6,263,958</u>

Under the District's policy, upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. In addition, based on historical usage patterns, employees are more likely than not to use an additional 5% of accumulated sick leave for illness prior to retirement. This results in a total utilization rate of 35% for recognition under GASB No. 101.

In accordance with GASB 101, sick leave benefits are accrued as a liability when earned, accumulate from year to year, and are more likely than not to be used or paid. The liability includes: 1) The portion of accumulated sick leave expected to result in termination payments at retirement (30%) and 2) The portion expected to be used prior to termination (5%)

The entire compensated absences liability is reported in the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accrued sick leave" in the general fund. The noncurrent portion of the liability is not reported in the fund financial statements, but is reflected in the statement of net position.

Note 18 – Subsequent Event:

Subsequent to June 30, 2025, the District's superintendent was demoted and four of the five Board of Education members for the District resigned from their positions. In relation to the superintendent's demotion, the Board of Education voted to terminate the superintendent's contract and by doing so, the Board of Education opted to pay out the remaining amount owed on the superintendent's contract, which was approximately \$250,000. As these events transpired during the fiscal year ended June 30, 2026, management does not deem necessary to accrue this amount for the year ended June 30, 2025, but deems that disclosure herein is necessary.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 7,104,494	\$ 7,104,494	\$ 8,591,699	\$ 1,487,205
Interest Income	416,815	416,815	273,061	(143,754)
State Sources	10,735,118	10,735,118	20,729,103	9,993,985
Federal Sources	69,485	69,485	104,473	34,988
Other Local Sources	278,629	278,629	147,300	(131,329)
Total Revenues	<u>\$ 18,604,541</u>	<u>\$ 18,604,541</u>	<u>\$ 29,845,636</u>	<u>\$ 11,241,095</u>
Expenditures:				
Instruction	\$ 8,771,186	\$ 8,771,186	\$ 15,822,106	\$ (7,050,920)
Support Services:				
Students	1,414,185	1,414,185	2,596,561	(1,182,376)
Instructional Staff	1,285,034	1,285,034	2,131,136	(846,102)
District Administration	1,274,451	1,274,451	2,020,694	(746,243)
School Administration	1,544,479	1,544,479	2,549,189	(1,004,710)
Business and Other Support Services	444,138	444,138	569,253	(125,115)
Operation and Maintenance of Plant	2,993,966	2,993,966	3,287,967	(294,001)
Student Transportation	1,877,487	1,877,487	3,020,347	(1,142,860)
Debt Service	400,060	400,060	723,746	(323,686)
Total Expenditures	<u>\$ 20,004,986</u>	<u>\$ 20,004,986</u>	<u>\$ 32,720,999</u>	<u>\$ (12,716,013)</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Assets	\$ -	\$ -	\$ 13,103	\$ 13,103
	-	-	834,675	834,675
Transfers In	120,000	120,000	1,868,665	1,748,665
Transfers Out	49,316	49,316	(166,691)	(216,007)
Total Other Financing Sources (Uses)	<u>\$ 169,316</u>	<u>\$ 169,316</u>	<u>\$ 2,549,752</u>	<u>\$ 2,380,436</u>
Net Change In Fund Balance	<u>\$ (1,231,129)</u>	<u>\$ (1,231,129)</u>	<u>\$ (325,611)</u>	<u>\$ 905,518</u>
Fund Balance, June 30, 2024	\$ 1,231,129	\$ 1,231,129	\$ 4,611,204	\$ 3,380,075
Fund Balance, June 30, 2025	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,285,593</u></u>	<u><u>\$ 4,285,593</u></u>

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
State Sources	\$ 1,392,204	\$ 1,392,204	\$ 1,420,016	\$ 27,812
Federal Sources	2,746,313	2,746,313	4,009,028	1,262,715
Other Local Sources	70,720	70,720	53,846	(16,874)
Total Revenues	<u>\$ 4,209,237</u>	<u>\$ 4,209,237</u>	<u>\$ 5,482,890</u>	<u>\$ 1,273,653</u>
Expenditures:				
Instruction	\$ 3,391,799	\$ 3,391,799	\$ 4,400,498	\$ (1,008,699)
Support Services				
Students	148,453	148,453	141,967	6,486
Instructional Staff	46,250	46,250	46,250	-
Operation and Maintenance of Plant	23,935	23,935	240,512	(216,577)
Community Services	338,171	338,171	333,564	4,607
Total Expenditures	<u>\$ 3,948,608</u>	<u>\$ 3,948,608</u>	<u>\$ 5,162,791</u>	<u>\$ (1,214,183)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>\$ 260,629</u>	<u>\$ 260,629</u>	<u>\$ 320,099</u>	<u>\$ 2,487,836</u>
Other Financing Sources (Uses):				
Transfers In	\$ 45,737	\$ 45,737	\$ 45,737	\$ -
Transfers Out	-	-	(350,221)	350,221
Total Other Financing Sources (Uses)	<u>\$ 45,737</u>	<u>\$ 45,737</u>	<u>\$ (304,484)</u>	<u>\$ 350,221</u>
Net Change In Fund Balance	<u>\$ 306,366</u>	<u>\$ 306,366</u>	<u>\$ 15,615</u>	<u>\$ 628,347</u>
Fund Balance, June 30, 2024	\$ (306,366)	\$ (306,366)	\$ (1,452)	\$ (614,184)
Fund Balance, June 30, 2025	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,163</u></u>	<u><u>\$ 14,163</u></u>

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Reported Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
<u>COUNTY EMPLOYEES RETIREMENT SYSTEM:</u>										
District's proportion of the net pension liability	0.143950%	0.146428%	0.159358%	0.155483%	0.158987%	0.155065%	0.166222%	0.167995%	0.168460%	0.163970%
District's proportionate share of the net pension liability	\$ 8,608,820	\$ 9,395,965	\$ 11,520,011	\$ 9,913,262	\$ 12,192,714	\$ 10,905,791	\$ 10,123,426	\$ 9,833,264	\$ 8,249,204	\$ 7,049,916
District's covered-employee payroll	\$ 5,365,472	\$ 4,926,497	\$ 4,525,405	\$ 4,506,926	\$ 4,040,781	\$ 4,152,664	\$ 3,974,196	\$ 4,201,879	\$ 4,159,246	\$ 4,068,338
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	160.4485%	190.7230%	254.5631%	219.9562%	301.7415%	262.6216%	254.7289%	234.0206%	198.3341%	173.2874%
Plan fiduciary net position as a percentage of the total pension liability	61.610%	57.480%	52.420%	57.330%	58.300%	50.447%	53.540%	53.300%	55.500%	59.970%
<u>KENTUCKY TEACHER'S RETIREMENT SYSTEM</u>										
District's proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	\$ 58,259,016	\$ 62,347,756	\$ 64,339,741	\$ 48,645,195	\$ 50,850,096	\$ 49,409,330	\$ 49,803,330	\$ 102,329,629	\$ 109,925,662	\$ 84,773,477
Total	\$ 58,259,016	\$ 62,347,756	\$ 64,339,741	\$ 48,645,195	\$ 50,850,096	\$ 49,409,330	\$ 49,803,330	\$ 102,329,629	\$ 109,925,662	\$ 84,773,477
District's covered-employee payroll	\$ 14,672,105	\$ 14,204,678	\$ 14,056,327	\$ 13,746,979	\$ 12,878,014	\$ 12,243,075	\$ 11,951,482	\$ 11,889,156	\$ 12,175,364	\$ 11,838,464
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	60.360%	57.680%	56.410%	65.600%	58.270%	58.800%	59.300%	39.830%	35.220%	42.500%

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

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

COUNTY EMPLOYEES RETIREMENT SYSTEM:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,057,535	\$ 1,149,844	\$ 1,003,822	\$ 1,145,860	\$ 779,871	\$ 801,464	\$ 644,615	\$ 608,432	\$ 580,215	\$ 505,287
Contributions in relation to the contractually required contribution	\$ 1,057,535	\$ 1,149,844	\$ 1,003,822	\$ 1,145,860	\$ 779,871	\$ 801,464	\$ 644,615	\$ 608,432	\$ 580,215	\$ 505,287
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 5,365,472	\$ 4,926,497	\$ 4,525,405	\$ 4,506,926	\$ 4,040,781	\$ 4,152,664	\$ 3,974,196	\$ 4,201,879	\$ 4,159,246	\$ 4,068,338
District's contributions as a percentage of its covered-employee payroll	19.71%	23.34%	22.18%	25.42%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%

KENTUCKY TEACHER'S RETIREMENT SYSTEM

Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 14,672,105	\$ 14,204,678	\$ 14,056,327	\$ 13,746,979	\$ 12,878,014	\$ 12,243,075	\$ 11,951,482	\$ 11,889,156	\$ 12,175,364	\$ 11,838,464
District's contributions 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%

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

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – RETIREMENT PLANS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Changes in Assumptions:

CERS

For the valuation performed as of June 30, 2023, demographic and economic assumptions were updated based on the 2022 experience study and the single discount rates used to calculate the total OPEB liability was changed to 6.50%. A 1% increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 is assumed to reflect the shift in retirement pattern due to House Bill 506. Additionally, in conjunction with the review of the healthcare per capita claims cost, the assumed increase in the future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the non-Medicare Plans was increased during the select period as a result of this review.

KTRS

There were no changes of assumptions in the current year.

Note 2 – Method and Assumptions Used in Calculations of Actuarially Determined Contributions:

CERS

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2024. The following actuarial methods and assumptions were used to determine the contribution rates reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of pay
Remaining Amortization Period	30 years, closed
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Payroll Growth Rate	2.00%
Inflation	2.30%
Salary Increase	3.30% to 10.30%
Investment Rate of Return	6.25%, net of pension plan investments expense, including inflation
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	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

KTRS

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, 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:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of pay
Remaining Amortization Period	22.9 years
Asset Valuation Method	5-year smoothed market value

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – RETIREMENT PLANS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 2 – Method and Assumptions Used in Calculations of Actuarially Determined Contributions (Cont.):

Inflation	2.50%
Salary Increase	3.00% to 7.50%
Investment Rate of Return	7.10%, net of pension plan investments expense, including inflation

Note 3 – Change of Benefits:

CERS

Senate Bill 209 passed during 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 a 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 passed during the 2023 legislative session reinstated the Partial Lump Sum Options (PLSO) form of payment for members retiring on or after January 1, 2024. The bill introduced an expansion of the lump-sum payment options, allowing for payouts equal to 48 or 60 times the member's Basic, or Survivorship 100% monthly retirement allowance. The lifetime monthly retirement allowance is adjusted actuarially to account for the selected lump sum payment option. House Bill 506 additionally modified the minimum separation period required for a retiree to reemploy with a participating employer of the Systems administered by the KPPA while still receiving their retirement allowance. This adjustment standardized the separation period to one month for all scenarios within each plan for retirement dates effective January 1, 2024 and after.

KTRS

There were no changes in benefit terms in the current year.

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)							
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
<u>COUNTY EMPLOYEES RETIREMENT SYSTEM-</u>								
<u>INSURANCE FUND:</u>								
District's proportion of the net OPEB liability	0.144091%	0.146422%	0.159330%	0.154470%	0.158930%	0.155025%	0.166216%	0.167995%
District's proportionate share of the net OPEB liability (asset)	\$ (249,249)	\$ (202,160)	\$ 3,144,399	\$ 2,975,955	\$ 3,837,679	\$ 2,607,451	\$ 2,951,132	\$ 3,377,274
District's covered-employee payroll	\$ 5,365,472	\$ 4,926,497	\$ 4,525,405	\$ 4,506,926	\$ 4,052,580	\$ 4,152,664	\$ 3,974,196	\$ 4,201,879
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	-4.645%	-4.104%	69.483%	66.031%	94.697%	62.790%	74.257%	80.375%
Plan fiduciary net position as a percentage of the total OPEB liability	104.890%	104.230%	69.410%	62.910%	51.670%	60.440%	57.620%	52.400%
<u>KENTUCKY TEACHER'S RETIREMENT SYSTEM-</u>								
<u>MEDICAL INSURANCE PLAN:</u>								
District's proportion of the net OPEB liability	0.183262%	0.193300%	0.273937%	0.199350%	0.192466%	0.193523%	0.365618%	0.364027%
District's proportionate share of the net OPEB liability	\$ 4,085,000	\$ 4,708,000	\$ 6,801,000	\$ 4,277,000	\$ 4,857,000	\$ 5,664,000	\$ 6,814,000	\$ 7,144,000
State's proportionate share of the net OPEB liability associated with the District	\$ 3,639,000	\$ 3,968,000	\$ 2,234,000	\$ 3,474,000	\$ 3,891,000	\$ 4,574,000	\$ 5,872,000	\$ 5,836,000
Total	\$ 7,724,000	\$ 8,676,000	\$ 9,035,000	\$ 7,751,000	\$ 8,748,000	\$ 10,238,000	\$ 12,686,000	\$ 12,980,000
District's covered-employee payroll	\$ 14,672,105	\$ 14,204,678	\$ 14,056,327	\$ 13,746,979	\$ 12,878,014	\$ 12,243,075	\$ 11,951,482	\$ 11,442,462
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	27.842%	33.144%	48.384%	31.112%	37.715%	46.263%	57.014%	62.434%
Plan fiduciary net position as a percentage of the total OPEB liability	59.810%	52.970%	47.750%	51.700%	39.050%	32.580%	25.500%	21.180%

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

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY (CONCLUDED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)							
	2025 (2023)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
<u>KENTUCKY TEACHER'S RETIREMENT SYSTEM- LIFE INSURANCE PLAN:</u>								
District's proportion of the net OPEB liability	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 83,000	\$ 98,000	\$ 111,000	\$ 46,000	\$ 118,000	\$ 106,000	\$ 101,000	\$ 78,000
Total	\$ 83,000	\$ 98,000	\$ 111,000	\$ 46,000	\$ 118,000	\$ 106,000	\$ 101,000	\$ 78,000
District's covered-employee payroll	\$ 14,672,105	\$ 14,204,678	\$ 14,056,327	\$ 13,746,979	\$ 12,878,014	\$ 12,243,075	\$ 11,951,482	\$ 11,889,156
District's proportionate share of he net OPEB 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%
Plan fiduciary net position as a percentage of the total OPEB liability	80.560%	76.910%	73.970%	89.200%	71.570%	73.400%	75.000%	79.990%

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

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>COUNTY EMPLOYEES RETIREMENT SYSTEM</u>									
<u>INSURANCE FUND:</u>									
Contractually required contribution	\$ -	\$ -	\$ 153,411	\$ 260,500	\$ 192,903	\$ 197,667	\$ 209,043	\$ 197,450	\$ 196,732
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ 153,411	\$ 260,500	\$ 192,903	\$ 197,667	\$ 209,043	\$ 197,450	\$ 196,732
Contribution deficiency (excess)								-	-
District's covered-employee payroll	\$ 5,365,472	\$ 4,926,497	\$ 4,525,405	\$ 4,506,926	\$ 4,052,580	\$ 4,152,664	\$ 3,974,196	\$ 4,201,879	\$ 4,159,246
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%	4.73%
<u>KENTUCKY TEACHER'S RETIREMENT SYSTEM - MEDICAL INSURANCE PLAN:</u>									
Contractually required contribution	\$ 440,163	\$ 393,122	\$ 421,690	\$ 412,409	\$ 386,340	\$ 367,292	\$ 358,544	\$ 356,675	\$ 343,275
Contributions in relation to the contractually required contribution	\$ 440,163	\$ 393,122	\$ 421,690	\$ 412,409	\$ 386,340	\$ 367,292	\$ 358,544	\$ 356,675	\$ 343,275
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 14,672,105	\$ 14,204,678	\$ 14,056,327	\$ 13,746,979	\$ 12,878,014	\$ 12,243,075	\$ 11,951,482	\$ 11,889,156	\$ 11,442,462
District's contributions as a percentage of its covered-employee payroll	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

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

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS (CONCLUDED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>KENTUCKY TEACHER'S RETIREMENT SYSTEM -</u>									
<u>LIFE INSURANCE PLAN:</u>									
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 14,672,105	\$ 14,204,678	\$ 14,056,327	\$ 13,746,979	\$ 12,878,014	\$ 12,243,075	\$ 11,951,482	\$ 11,889,156	\$ 11,442,462
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Changes in Assumptions:

CERS Insurance Fund

For the June 30, 2022 measurement date, the single discount rates used to calculate the total OPEB liability was changed to 5.70%.

For the valuation performed as of June 30, 2023, demographic and economic assumptions were updated based on the 2022 experience study and the single discount rates used to calculate the total OPEB liability was changed to 5.93%. A 1% increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 is assumed to reflect the shift in retirement pattern due to House Bill 506. Additionally, in conjunction with the review of the healthcare per capita claims cost, the assumed increase in the future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the non-Medicare Plans was increased during the select period as a result of this review.

For the valuation performed as of June 30, 2024, the discount rate used to calculate the total OPEB liability increased from 5.93 % to 5.99% for the nonhazardous plan. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2023, valuation process and was updated to better reflect the plan's anticipated long-term healthcare cost increases. In general, the updated assumption is assuming higher future increases in pre-Medicare healthcare costs.

KTRS Insurance Fund

Medical Insurance Plan - There were no changes of assumptions in the current year.

Life Insurance Plan - There were no changes of assumptions in the current year.

Note 2 – Changes in Benefits:

CERS Insurance Fund

There were no changes in benefit terms.

KTRS Insurance Fund

Medical Insurance Plan - There were no changes in benefit terms in the current year.

Life Insurance Plan - There were no changes in benefit terms in the current year.

GREENUP COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Capital Outlay Fund	Construction Fund	Building Fund	Debt Service Fund	School Activity Funds	District Activity Funds	Total Non-Major Governmental Funds
Assets:							
Cash and Cash Equivalents	\$ 10,875	\$ 263,215	\$ 183,609		\$ 192,256	\$ 33,557	\$ 683,512
Total Assets	<u>\$ 10,875</u>	<u>\$ 263,215</u>	<u>\$ 183,609</u>	<u>\$ -</u>	<u>\$ 192,256</u>	<u>\$ 33,557</u>	<u>\$ 683,512</u>
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:							
Restricted	\$ 10,875	\$ 263,215	\$ 183,609	\$ -	\$ -	\$ 33,557	\$ 491,256
Committed	-	-	-	-	192,256	-	192,256
Total Fund Balances	<u>10,875</u>	<u>263,215</u>	<u>183,609</u>	<u>-</u>	<u>192,256</u>	<u>33,557</u>	<u>683,512</u>
Total Liabilities and Fund Balances	<u>\$ 10,875</u>	<u>\$ 263,215</u>	<u>\$ 183,609</u>	<u>\$ -</u>	<u>\$ 192,256</u>	<u>\$ 33,557</u>	<u>\$ 683,512</u>

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Outlay Fund	Construction Fund	Building Fund	Debt Service Fund	School Activity Funds	District Activity Funds	Total Non-Major Governmental Funds
Revenues:							
Taxes	\$ -	\$ -	\$ 1,142,242	\$ -	\$ -	\$ -	\$ 1,142,242
Intergovernmental - State	226,243	-	1,000,440	284,635	-	-	1,511,318
Intergovernmental - Federal	-	998,358	-	-	-	-	998,358
Other Local Revenues	-	-	-	-	854,281	15,000	869,281
Total Revenues	<u>\$ 226,243</u>	<u>\$ 998,358</u>	<u>\$ 2,142,682</u>	<u>\$ 284,635</u>	<u>\$ 854,281</u>	<u>\$ 15,000</u>	<u>\$ 4,521,199</u>
Expenditures:							
Instruction	\$ -	\$ -	\$ -	\$ -	\$ 894,056	\$ 9,878	\$ 903,934
Instructional Staff	-	-	-	-	101	-	101
Operation and Maintenance of Plant	-	4,141,839	-	-	-	-	4,141,839
Student Transportation	-	-	-	-	-	186	186
Supplies	-	-	-	-	-	-	-
Debt Service	-	-	-	1,091,491	-	-	1,091,491
Total Expenditures	<u>\$ -</u>	<u>\$ 4,141,839</u>	<u>\$ -</u>	<u>\$ 1,091,491</u>	<u>\$ 894,157</u>	<u>\$ 10,064</u>	<u>\$ 6,137,551</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 226,243</u>	<u>\$ (3,143,481)</u>	<u>\$ 2,142,682</u>	<u>\$ (806,856)</u>	<u>\$ (39,876)</u>	<u>\$ 4,936</u>	<u>\$ (1,616,352)</u>
Other Financing Sources (Uses):							
Operating Transfers In	\$ -	\$ 120,954	\$ -	\$ 806,856	\$ -	\$ -	\$ 927,810
Operating Transfers Out	(226,243)	-	(1,979,058)	-	-	-	(2,205,301)
Total Other Financing (Uses) Sources	<u>\$ (226,243)</u>	<u>\$ 120,954</u>	<u>\$ (1,979,058)</u>	<u>\$ 806,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,277,491)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,022,527)</u>	<u>\$ 163,624</u>	<u>\$ -</u>	<u>\$ (39,876)</u>	<u>\$ 4,936</u>	<u>\$ (2,893,843)</u>
Fund Balances, June 30, 2024	\$ 10,875	\$ 3,285,742	\$ 19,985	\$ -	\$ 232,132	\$ 28,621	\$ 3,577,355
Fund Balances, June 30, 2025	<u>\$ 10,875</u>	<u>\$ 263,215</u>	<u>\$ 183,609</u>	<u>\$ -</u>	<u>\$ 192,256</u>	<u>\$ 33,557</u>	<u>\$ 683,512</u>

See Notes to the Basic Financial Statements.

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - SCHOOL ACTIVITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Cash Balance June 30, 2024	Receipts	Disbursements	Cash Balance June 30, 2025	Transfers	Deposits Held In Custody For Students June 30, 2025
Greenup County High School	\$ 97,777	\$ 405,201	\$ 422,838	\$ 80,140	\$ (560)	\$ 79,580
McKell Middle School	20,345	47,510	59,606	8,249	-	8,249
Wurtland Middle School	12,341	24,051	30,674	5,718	-	5,718
Argillite Elementary	7,033	41,737	42,004	6,766	-	6,766
Greysbranch Elementary	6,660	74,747	72,770	8,637	-	8,637
McKell Elementary	28,977	48,585	49,747	27,815	-	27,815
Wurtland Elementary	6,103	33,678	26,479	13,302	-	13,302
Misc.	39,664	15,089	13,124	41,629	-	41,629
Total	<u>\$ 218,900</u>	<u>\$ 690,598</u>	<u>\$ 717,242</u>	<u>\$ 192,256</u>	<u>\$ (560)</u>	<u>\$ 191,696</u>

GREENUP COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SCHOOL ACTIVITY FUNDS - GREENUP COUNTY HIGH SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Cash Balance June 30, 2024	Receipts	Disbursements	Cash Balance June 30, 2025	Transfers	Total
General Account	\$ 1,385	\$ 37,652	\$ 15,576	\$ 23,461	\$ (21,946)	\$ 1,515
Library	-	1,825	304	1,521	-	1,521
Fishing Club	-	99	-	99	-	99
Student Council	327	1,291	1,518	100	-	100
Beta	973	3,040	2,208	1,805	-	1,805
Drama	319	-	-	319	-	319
ROTC	25,367	18,001	16,645	26,723	(135)	26,588
English Department	339	-	-	339	-	339
Art	11	31	-	42	-	42
Prom Committee	9,102	9,970	4,266	14,806	-	14,806
Advance Placement Tests	907	144	78	973	-	973
Seniors	734	2,100	1,891	943	-	943
Graphics	1,690	1,221	285	2,626	-	2,626
Yearbook	1,857	1,867	1,029	2,695	-	2,695
After Prom	579	4,100	4,100	579	-	579
Choir	481	-	-	481	-	481
Food Bank	589	-	-	589	-	589
Class of 74 Scholarship	-	500	-	500	-	500
Scholarship	10,284	4,904	2,250	12,938	-	12,938
Class of 1999 Scholarship	700	-	-	700	-	700
GC Employee's Scholarship	1,834	-	-	1,834	-	1,834
Social Studies Honor Society	1,669	2,858	3,576	951	-	951
Christian Athletes	239	-	-	239	-	239
Family Resource	2,065	11,416	2,707	10,774	(135)	10,639
KYA	1,131	10,336	10,076	1,391	-	1,391
Science Olympiad	23	-	-	23	-	23
Science Lab	200	-	-	200	-	200
Animal Science	840	370	-	1,210	-	1,210
General Athletics	15,885	140,790	172,322	(15,647)	20,506	4,859
BOE Athletics	19	-	24,922	(24,903)	-	(24,903)
Athletic Trainer	246	-	177	69	-	69
Bass Fishing Booster	131	-	-	131	-	131
Band Booster	-	26,335	23,939	2,396	-	2,396
Archery Boosters	3,422	19,329	14,894	7,857	(723)	7,134
Cross Country Booster	1,499	6,282	5,007	2,774	-	2,774
Track Booster	(202)	782	1,919	(1,339)	1,562	223
Volleyball Booster	9,064	22,258	30,949	373	-	373
Wrestling Boosters	2,527	3,727	5,444	810	-	810
Boys/Girls Soccer Booster	(2,612)	-	-	(2,612)	-	(2,612)
Girls Soccer Booster	2,693	2,382	5,075	-	-	-
Girls Golf Booster	500	-	500	-	-	-
Tennis Booster	670	3,170	2,360	1,480	-	1,480
Boys Golf Booster	500	-	500	-	-	-
Esports	-	-	210	(210)	311	101
Sweep	(210)	-	-	100	-	100
Total	<u>\$ 97,777</u>	<u>\$ 405,201</u>	<u>\$ 422,838</u>	<u>\$ 80,140</u>	<u>\$ (560)</u>	<u>\$ 79,580</u>

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor <u>Program Title</u>	Federal Assistance <u>Listing Number</u>	Pass-Through Grantor's <u>Number</u>	Expenditures <u>Paid</u>
U.S. Department of Agriculture:			
Passed through State Department of Education			
Child Nutrition Cluster:			
Cash Assistance:			
National School Lunch Program	10.555	7750002	\$ 1,658,706
Summer Food Service for Children	10.559	7740023	34,831
Non-Cash Assistance:			
National School Lunch Program - Donated Foods	10.555	057502	141,877
Total Child Nutrition Cluster			<u>1,835,414</u>
Child and Adult Care Food Program	10.558	7760005	45,739
Total U.S. Department of Agriculture			<u>1,881,153</u>
U.S. Department of Education:			
Passed through State Department of Education			
Title I Grants to Local Educational Agencies	84.010	3100002	1,052,928
Vocational Education Basic Grants to States	84.048	3710002	19,944
Special Education Cluster:			
Special Education Grants to States - IDEA, Part B	84.027	3810002	986,547
Special Education - Pre-School	84.173	3800002	40,893
Total Special Education Cluster			<u>1,027,440</u>
Twenty-First Century Community Learning Centers -550E	84.287	3400002	404,046
Striving Readers Literacy Grant	84.371C	3220002	252,234
Improving Teacher Quality State Grants	84.367	3230002	119,283
Title IV - A Student Support and Academic Enrichment Grant	84.424	3420002	75,036
Elementary and Secondary School Emergency Relief Fund	84.425D	4000002	598,266
Total U.S. Department of Education			<u>3,549,177</u>
U.S. Department of Energy:			
Direct Program:			
Energy Grant - 24EG	81.086	N/A	1,120,088
Total U.S. Department of Defense			<u>1,120,088</u>
U.S. Department of Defense:			
Direct Program:			
Basic, Applied, and Advanced Research in Science and Engineering	12.000	20	46,409
Total U.S. Department of Defense			<u>46,409</u>
U.S. Department of Health and Human Services			
Passed Through Kentucky School Board Association			
Medical Assistance Program	93.778	110-4810	104,472
Total U.S. Department of Health and Human Services			<u>104,472</u>
Total Expenditures of Federal Awards			<u>\$ 6,701,299</u>

See Notes to the Schedule of Expenditures of Federal Awards.

GREENUP COUNTY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Greenup 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 Greenup County School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2 – Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Food Distribution:

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, commodities on hand are included on the total inventory of \$141,877.

Note 4 – Indirect Cost:

The Greenup County School District did not elect to use the 10% de minimis indirect cost rate for its federal programs.

Note 5 – Subrecipients:

The Greenup County School District did not have subrecipients during the 2025 fiscal year.



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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Greenup County School District
Greenup, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Greenup 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 Greenup County School District's basic financial statements, and have issued our report thereon dated January 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greenup County School District's internal control over financial reporting (internal control) to determine the 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 the Greenup County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greenup County School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greenup County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

We noted certain matters that were reported to management of the Greenup County School District in a separate letter dated January 30, 2026.

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.

A handwritten signature in blue ink that reads "The Fyffe Jones Group, AC". The signature is written in a cursive, flowing style.

THE FYFFE JONES GROUP, AC

Ashland, Kentucky
January 30, 2026



**The
Fyffe
Jones
Group, AC**

The Fyffe Jones Group, AC

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

Kentucky State Committee for
School District Audits
Members of the Board of Education
Greenup County School District
Greenup, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Greenup 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 the Greenup County School District's major federal programs for the year ended June 30, 2025. The Greenup 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, the Greenup 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). 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 the Greenup 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 the Example 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 the Greenup 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 the Greenup 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 the Greenup 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 the Greenup 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 the Greenup 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 the Greenup 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.

The Fyffe Jones Group, AC

THE FYFFE JONES GROUP, AC

Ashland, Kentucky

January 30, 2026

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. Summary of Audit Results:

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements?	No

Federal Awards

Internal control over major programs	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No

The District had the following major federal award programs with assistance listing numbers in parentheses for the year ended June 30, 2025:

Title I – 84.010
Special Education Cluster – 84.027/84.173
Energy Grant – 24EG – 81.06

The dollar threshold used for distinguishing between Type A and Type B programs was \$750,000.

The Greenup County School District qualified as a low-risk auditee under Uniform Guidance.

B. Findings Relating to the Financial Statements Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

No matters were reported.

C. Findings and Questioned Costs Related to Federal Awards:

No matters were reported.

GREENUP COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

No findings reported in the prior year.

GREENUP COUNTY SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Name of Contact Person:

Steve Hall (606) 473-5710

Corrective Action Planned:

No corrective action plan is needed in the current year.



**The
Fyffe
Jones
Group, AC**

The Fyffe Jones Group, AC

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Kentucky State Committee for School District Audits
Members of the Board of Education
Greenup County School District
Greenup, Kentucky

In planning and performing our audit of the financial statements of Greenup County School District (the "District") as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

During our audit, we did not become aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated January 30, 2026, on the financial statements of the District.

Our prior year management letter did not include any issues needing addressed, therefore, we did not find it necessary to review any comments or follow up on any resolutions from the previous year.

The Fyffe Jones Group, AC

THE FYFFE JONES GROUP, AC
Ashland, Kentucky

January 30, 2026

GREENUP COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER POINTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Current Year Management Points

None.

Status of Prior Year Management Points

There were no management points in the prior year.