GEORGETOWN-SCOTT COUNTY PARKS & RECREATION

FINANCIAL STATEMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Georgetown-Scott County Parks & Recreation

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Georgetown-Scott County Parks & Recreation, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Georgetown-Scott County Parks & Recreation, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, the schedule of pension contributions, the schedule of changes in benefits and assumptions- pension, schedule of proportionate share of the net OPEB liability, the schedule of OPEB contributions, and the schedule of changes in benefits and assumptions- OPEB on pages 3 through 6, and pages 26 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021 on our consideration of the Georgetown-Scott County Parks & Recreation'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 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 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 Georgetown-Scott County Parks & Recreation's internal control over financial reporting and compliance.

Craft, Waninger, Noble & Company, PLLC

Craft, Waninger, Noble & Company, PLLC
Richmond, Kentucky
June 15, 2021

GEORGETOWN-SCOTT COUNTY PARKS & RECREATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Georgetown-Scott County Parks & Recreation's management offers readers of the financial statements this narrative overview and analysis of the financial activities of the Organization for the fiscal year ended June 30, 2020. Please read this MD&A in conjunction with the Organization's Financial Statements, which follow.

Overview of the Financial Statements

This annual report includes this management's discussion and analysis report, the independent auditor's report and the basic financial statements of the Organization. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Organization's overall financial status. The fund financial statements focus on the current operational activity of the Organization, reporting the Organization's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the Organization's accountability.

Government-Wide Statements

The government-wide statements report information about the Organization as a whole using accounting methods similar to those used by private-sector companies. One of the most important questions asked about the Organization's finances is "Is the Organization as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Organization's activities in a way that will help answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position of the Organization and the changes in them. One can think of the Organization's net position – the difference between assets and liabilities – as a way to measure the Organization's financial position. Over time, increases or decreases in the Organization's net position are one indicator of whether the Organization is doing better or worse financially. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth and new or changed government legislation.

In the Statement of Net Position and the Statement of Activities, we look at the Organization's overall activity.

Governmental activities – most of the Organization's basic services are reported here including property taxes, grants and other income which finance most of these activities.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the Organization's funds. The fund financial statements provide more information about the Organization's funds and current year detail operations and not the Organization as a whole.

The Organization's fund statement encompasses the activity of the general fund. The general fund is the primary and only operating fund of the Organization. It accounts for financial resources used for general types of operations. This statement offers a short-term view of the current year.

Financial Analysis of the Organization as a Whole

Below is an analysis of the comparative statement of net position for the years ending June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019	Variance
Capital assets, net of depreciation	$ 678,351	$ 559,040	$ 119,311
Other assets	580,242	913,361	(333,119)
Deferred outflows	701,308	722,401	(21,093)
Long-term liabilities	2,770,366	2,669,265	101,101
Current liabilities	149,359	350,039	(200,680)
Deferred inflows	347,509	264,756	82,753
Invested in fixed assets	678,351	559,040	119,311
Unrestricted net position	(1,985,684)	(1,648,298)	(337,386)

Revenue and Expense Comparison for the years ended:

	June 30, 2020	June 30, 2019	Variance
Intergovernmental transfers	$ 2,132,346	$ 2,191,960	$ (59,614)
Program revenues	151,778	370,965	(219,187)
Membership revenues	579,419	863,381	(283,962)
Grants and donations	3,003	-	3,003
Interest income	519	483	36
Other revenues	2,009	14,465	(12,456)
Total revenues	2,869,074	3,441,254	(572,180)
Personnel expenses	2,049,884	2,083,408	(33,524)
Program supplies	130,307	220,445	(90,138)
Repairs and maintenance	238,206	308,580	(70,374)
Utilities and telephone	256,619	275,729	(19,110)
Insurance	86,911	145,113	(58,202)
Office supplies	58,874	64,663	(5,789)
Professional fees	8,235	8,836	(601)
Software and support	56,393	22,608	33,785
Marketing and advertising	29,567	39,180	(9,613)
Travel	25,843	40,169	(14,326)
Miscellaneous	2,392	1,366	1,026
Staff education	6,584	15,121	(8,537)
Depreciation	137,334	111,205	26,129
Total expenditures	3,087,149	3,336,423	(249,274)
Change in net position	$ (218,075)	$ 104,831	$ (322,906)

The Organization's main source of revenue is intergovernmental support from the City of Georgetown and Scott County Fiscal Court, which is approximately 60% of the Organization's total revenue. Other income sources included grants and revenue generating activity through rentals, facility usage, and program participation. The personnel expense represents 61.73% of total operating expenditures Personnel expenditures increased about 5% from the previous year. This increase is due to the added costs of the CERS retirement plan in the form of amortization of the deferred inflows and outflows. The Organization contributions to CERS were approximately 11.06% of the personnel expenses coming in at $216,073. Amortizations related to the pension and OPEB liabilities were approximately 16.54% of the personnel expenses coming in at $323,211.

Capital Asset Activity

Initial capital improvements request included replacement of diving blocks, a power seeder, deck replacement at Royal Spring Park, rotational replacement of cardio equipment, two mowers, an outdoor maintenance truck, replacement of safety lights at Brooking and Scott County Parks, replacement of a utility gator, replacement of fence for two fields which pose a safety issue at Ronnie Suffoletta Memorial Park, replacement of a skid loader, and replacement of infield material at all Marshall Park Ball fields at a cost of $275,970. All capital request funding was denied during the budgeting process. Emergency capital funding for maintenance to the Aon and Dectron units was approved by both the city and the county in the amount of $45,000 later in the year as well as significant repairs to the lazy river pipes at a cost of $120,666. All capital asset activity was maintenance related and was funded jointly by the city and the county.

Budget Highlights

The Organization adopts an annual budget at the June Board meeting after it has been presented in both April and May for discussion. The budget is devised through a cooperative team of Board members, Management staff, plus the Bookkeeper/Administrative Assistant. Several meetings are held prior to the June Board meeting, and goals for the next year are established by the staff and possible expenditures related to those goals are identified. The Operating Budget includes proposed expenses and the means of financing them. The Organization's operating budget is amended during the year if unusual events occur. A current Fiscal Year budget comparison for the current month and year to date is presented to management and the Board of Trustees as interim financial statements; however, they are not reported on, nor shown, on the financial statements section of this report. A procurement policy has been established by the Board to give direction to larger spending amounts.

The Organization has operated on a zero-balance budget so that at the end of the fiscal year each budget category reverts back to the new balance for the new year. Each year the Organization staff has worked diligently to keep the overall budget in line with the projected budget. Some categories may be over but in general the overall amounts are taken to the Board of Trustees for approval before the purchase is made. Please note that this budget comparison is prior to any audit adjustments purposes.

A summarized comparison of budget highlights is listed below:

Budget Comparison for 2020 – 2019

	Budgeted	Actual Amount	Difference
Net Revenue	$ 3,470,178	$ 2,869,074	$ (601,104)
Personnel expenses	2,406,678	1,840,926	565,752
Program supplies	154,250	130,307	23,943
Repairs and maintenance	263,900	238,206	25,694
Utilities and telephone	288,950	256,619	32,331
Insurance	93,500	86,911	6,589
Office supplies	51,600	58,874	(7,274)
Professional fees	16,000	8,235	7,765
Software and support	30,000	56,393	(26,393)
Marketing and advertising	25,600	29,567	(3,967)
Travel	51,600	25,843	25,757
Miscellaneous	1,800	2,392	(592)
Staff education	10,800	6,584	4,216
Capital outlay	75,500	256,645	(181,145)
Total Budgeted	$ -	$ (128,428)	$ (128,428)

Economic Factors and Next Year's Budget

The COVID pandemic has and will have a significant impact on the overall financial stability of Georgetown Scott County Parks and Recreation. GSC Parks experienced periodic facility closures, reduced facility and activity capacity and usage, significant personnel layoffs and hiring freezes, along with increased open space usage and increased safety related expenses that are not reimbursable to our department such as misting machines, PPE, sanitizing supplies, emergency FMLA, and paid sick leave to part-time staff. Staff were not afforded pay increases in the budget, despite both the city and county employees were given pay raises. A budget amendment will be presented to request employee pay increases for FY 2020-2021. Continued denial of capital preventative maintenance and capital asset needs have made it challenging for GSC Parks to maintain and operate aged infrastructure in our parks and our facilities. GSC Parks will continue to request the necessary capital replacements of equipment and facility infrastructure, capital assets, and capital improvements which are necessary for the safety of our community users. Additionally, GSC Parks understands the need to upgrade our accounting software to better meet the needs of a quasi-governmental agency. Currently, GSC Parks utilizes QuickBooks for our financial accounting. It has been clear for quite some time that QuickBooks limited ability does not meet our needs for chart of accounts, reporting to our board, Department of Local Government, National Park and Recreation Association, and the city and county, retirement, and banking purposes. A transition to a new accounting platform is anticipated to be costly to the organization but necessary for adapting to best practices and appropriate financial accountability to our stakeholders.

Contacting the Organization Management

The financial report is designed to provide the citizens of Scott County and its creditors with a general overview of the Organization's finances and to demonstrate the Organization's accountability of the money it receives. If you have questions about this report or need additional financial information, do not hesitate to contact the Director, Kimberly Rice or the Treasurer for the GSC Parks Board, Ben Van Meter.

Georgetown-Scott County Parks & Recreation
Statement of Net Position
June 30, 2020

Assets		
Cash and cash equivalents	$	477,620
Accounts receivable		88,317
Prepaid insurance and expenses		14,305
Fixed Assets:		
Depreciable buildings, property and equipment, net of depreciation		678,351
Total Fixed Assets		678,351
Total Assets		1,258,593
Deferred Outflows of Resources:		
Subsequent pension & OPEB contributions		177,692
Deferred outflows related to pensions		353,880
Deferred outflows related to OPEB		169,736
Total Deferred Outflows of Resources		701,308
Total Assets and Deferred Outflows of Resources	$	1,959,901
Liabilities:		
Accounts payable	$	56,269
Accrued payroll liabilities		79,805
Deferred membership dues		8,285
Current portion of compensated absences		5,000
Long-Term Obligations:		
Compensated absences		66,149
Net pension liability		2,182,424
Net OPEB liability		521,793
Total Liabilities		2,919,725
Deferred Inflows of Resources:		
Deferred inflows related to pensions		138,363
Deferred inflows related to OPEB		209,146
Total Deferred Inflows of Resources		347,509
Net Position:		
Unrestricted		(1,985,684)
Invested in fixed assets		678,351
Total Net Position		(1,307,333)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$	1,959,901

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

Georgetown-Scott County Parks & Recreation
Statement of Activities
For The Year Ended June 30, 2020

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government
Governmental activities				
Cultural and recreations	$ (3,087,149)	731,197	3,003	$ (2,352,949)

General Revenues:	
Intergovernmental transfers	$ 2,132,346
Interest income	519
Other income	2,009
Total general revenues	2,134,874
Change in net position	(218,075)
Net position - beginning, as restated	(1,089,258)
Net position - ending	$ (1,307,333)

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

Georgetown-Scott County Parks & Recreation
Balance Sheet
Governmental Fund
June 30, 2020

		Governmental Fund
Assets		
Cash and cash equivalents	$	477,620
Accounts receivable		88,317
Prepaid insurance and expenses		14,305
Total Assets	$	580,242
Liabilities		
Accounts payable	$	56,269
Accrued payroll liabilities		79,805
Deferred membership dues		8,285
Compensated absences		5,000
Total Liabilities	$	149,359
Fund Balances		
Nonspendable	$	14,305
Unassigned		416,578
Total Fund Balances	$	430,883
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 in the fund	$	678,351
Deferred outflows, inflows, and net pension and OPEB liabilities related to the implementation of GASB 68 and 75 which are not receivable or payable in the current period and therefore, are not reported in the fund		(2,350,418)
Certain liabilities (including compensated absences) are not due and payable in the current period and therefore, are not reported in the fund		(66,149)
Net position of governmental activities	$	(1,307,333)

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

Georgetown-Scott County Parks & Recreation
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For The Year Ended June 30, 2020

	Governmental Fund
Revenues	
Intergovernmental transfers	$ 2,132,346
Program revenues	151,778
Membership revenues	579,419
Grants and donations	3,003
Interest income	519
Other revenues	2,009
Total Revenues	2,869,074
Expenditures	
Personnel expenses	1,840,926
Program supplies	130,307
Repairs and maintenance	238,206
Utilities and telephone	256,619
Insurance	86,911
Office supplies	58,874
Professional fees	8,235
Software and support	56,393
Marketing and advertising	29,567
Travel	25,843
Miscellaneous expenses	2,392
Staff education	6,584
Total Current Expenditures	2,740,857
Operating capital outlays	256,645
Total Expenditures	2,997,502
Net change in fund balance	(128,428)
Fund balance - beginning	559,311
Fund balance - ending	$ 430,883

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

Georgetown-Scott County Parks & Recreation
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of Governmental Fund to the Statement of Activities
For The Year Ended June 30, 2020

Reconciliation to the Statement of Activities:

Net Change in Fund Balance - Governmental Fund	$	(128,428)
Government Funds report capital outlays as expenditures; however, in the Statement of Activities the cost of those assets are allocated over their useful lives and reported as depreciation expenses.		
Capital Outlay		256,645
Depreciation Expense		(137,334)
Governmental Funds report pension and OPEB related expenses of $177,692. However, the Statement of Net Position reports pension and OPEB expenses calculated pursuant to GASB 68 and 75 of $430,618.		(252,926)
Government Funds report expense as paid by the Organization; however, in the Statement of Activities, expenses are reported as due based on a 60-day accrual. Accordingly, the Statement of Activities recorded more expenses than the fund accounting due to accrued compensated absences.		43,968
Change in Net Position of Governmental Activities	$	(218,075)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Georgetown-Scott County Parks & Recreation was created as a joint venture between the City of Georgetown, Kentucky and Scott County, Kentucky to operate the local parks and recreation pursuant to K.R.S. 97.035 et. seq. and K.R.S. 97.010 et. seq. The Organization was created to provide all Scott County residents with access to public parks and facilities, and to establish, equip, maintain and administer a countywide park and recreation system. The affairs of the Organization district shall be operated by a Board of Trustees as set forth by K.R.S. 97.010.

Basis of Presentation

The financial statements of the Georgetown-Scott County Parks & Recreation District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board is the accepted standards-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements – The Statement of Net Position and the Statement of Activities display information about the Organization's taxing district as a whole.

Fund Financial Statements – are organized into funds, each of which is considered separately. The Organization has only one such governmental fund that accounts for the daily operating activity of the Organization. A description of such fund is as follows:

- The General Fund is the primary and only operating fund of the Organization. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use.

Basis of Accounting

In the government-wide Statement of Net Position and the Statement of Activities, all activities are presented under the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Property taxes are recorded as revenue when collected and available to be remitted to the Organization by county tax collection agencies. Expenditures are recognized when the related fund liability is incurred.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Budgeting

The Organization follows the procedures established pursuant to Section 91A.030 of the Kentucky Statutes in establishing the budgetary data reflected in the financial statements. Budgets for the general fund are adopted on a basis consistent with United States generally accepted accounting principles.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Revenues

In the government-wide statements, revenues are recognized when they become available. Available revenues include intergovernmental transfers expected to be collected within sixty days after year-end. These transfers are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

Property, Equipment and Depreciation

Property and equipment is stated at cost or, if donated, at the approximate fair value at the date of donation. All property and equipment purchases have been capitalized and recorded in the government-wide financial statements. Additionally, as all capital assets are directly utilized in the Organization's operating activities, an expense for capital outlays has been reported in the fund financial statements.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation for the year ended June 30, 2020 was $137,334.

Fund Balance

As of June 30, 2012, the Organization implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the Organization. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of June 30, 2020, fund balances are comprised of the following:

	General Fund
Nonspendable	$ 14,305
Unassigned	$ 416,578

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement Plan

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the benefits, and retirement expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous ("CERS") 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 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash and cash equivalents in local banks which may, at times, exceed the FDIC limits. The Organization's cash and cash equivalents are categorized as either (1) insured or collateralized with securities held by the entity or by its agent in the entity's name, (2) collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name or (3) uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name). The Organization's categorization as of June 30, 2020 was as follows:

Category 1	$	250,000
Category 2	$	240,033
Category 3	$	-

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

Governmental Activities	July 1, 2019	Increases	Decreases	June 30, 2020
Buildings and improvements	$ 821,899	$ 108,582	$ -	$ 930,481
Equipment	1,267,490	145,403	-	1,412,893
Vehicles	266,850	-	-	266,850
Construction in Progress	-	2,660	-	2,660
Total at historical cost	2,356,239	256,645	-	2,612,884
Less accumulated depreciation	1,797,199	137,334	-	1,934,533
Capital assets – net	$ 559,040	$ 119,311	$ -	$ 678,351

NOTE 4 – COMPENSATED ABSENCES

It is the Organization's policy to compensate all employees for certain absences not used at the end of their employment. As of June 30, 2020, the liability for these absences was $71,149 and has been included in the personnel expenses. Such liability is recorded in the government-wide financial statements.

NOTE 5 – DEFERRED MEMBERSHIP DUES

The Organization sells memberships to the Pavilion to allow citizens to access the facilities and the pool. Some of these memberships are purchased semi-annually or annually. As of June 30, 2020 $8,285 worth of membership payments were received for services to be provided after the end of the fiscal year.

NOTE 6 – LONG-TERM LIABILITIES

The Organization has long-term liabilities related to the aforementioned compensated absences and their involvement in the Kentucky County Employee Retirement System (CERS).

The following is a summary of the long-term liabilities as of June 30, 2020:

	Compensated Absences	Net Pension Liability	Net OPEB Liability
Payable at June 30, 2019	$ 115,117	$ 1,977,641	$ 576,507
Increase in liability	-	204,783	-
(Decrease) in liability	(43,968)	-	(54,714)
Payable at June 30, 2020	$ 71,149	$ 2,182,424	$ 521,793

NOTE 7 – INTERGOVERNMENTAL TRANSFERS

The Organization receives funds from the City of Georgetown and Scott County to allow them to continue to operate the park and recreation services on their behalf. The transfers for the year ended June 30, 2020 consisted of $961,978 from Scott County and $1,170,368 from the City of Georgetown. These funds make up a majority of the revenues of the Organization. The amount of the funds to be transferred is determined annually by the board of trustees of both the City of Georgetown and Scott County's during their annual budget determination. The contract is automatically renewed annually.

NOTE 8 – RETIREMENT PLAN

The Organization's employees are provided with the County Employees Retirement System.

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

Plan description—Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from http://kyret.ky.gov/.

NOTE 8 – RETIREMENT PLAN (CONTINUED)

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

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or at least 4 years of service and 65 years old
	Reduced retirement	At least 5 years service and 55 years old
		At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old
		Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old
		Or age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not available

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are $5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and $10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Contributions—Required contributions by the employee are based on the tier:

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

All current employees participating in County Employees Retirement Systems (CERS) are eligible for healthcare benefits provided by KRS in conjunction with their pension service benefits described. Retiree cost depends on length of service prior to retirement. Employer contribution rates are established annually by the KRS Board of Trustees. KRS issues separate stand-alone financial statements for the statewide multiple employer cost-sharing plan that provides other post-employment benefits for local government employees participating in CERS.

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

At June 30, 2020, the Organization reported a liability for its proportionate share of the net pension liability for CERS. The amount recognized by the Organization 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 Organization were as follows on the next page.

NOTE 8 – RETIREMENT PLAN (CONTINUED)

Organization's proportionate share of the CERS net pension liability	$	2,182,424
Commonwealth's proportionate share of the CERS net pension liability associated with the Organization		7,030,862,128
	$	7,033,044,552

The net pension liability for each plan was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Organization'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, 2019, the Organization's proportion was 0.031031% percent.

For the year ended June 30, 2020, the Organization recognized pension expense of $377,575 related to CERS. At June 30, 2020, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual experience	$ 55,723	$ 9,221
Changes of assumptions	220,884	-
Difference between projected and actual earnings on plan investments	41,894	77,075
Changes in proportion and differences between Company contributions and proportionate share of contributions	35,379	52,067
Organization contributions subsequent to the measurement date	142,538	-
Total	$ 496,418	$ 138,363

The $142,538 reported as deferred outflows of resources related to pensions resulting from Organization contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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,	
2021	$ 158,615
2022	40,987
2023	13,418
2024	2,497

Actuarial assumptions—The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.30%, average, including inflation
Investment rate of return	6.25%, net of Plan investment expense, including inflation

NOTE 8 – RETIREMENT PLAN (CONTINUED)

For CERS, the mortality table used for active members is Pub-210 General Mortality table, for the Non-Hazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, project with the ultimate rates from the MP-2014 mortality improvements scale using a base year of 2010. The mortality table used for health retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was Pub-2010 Disabled Mortality table, with a 4-year-set-forward for both male and female rates, project with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

For CERS, the long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The current long-term inflation assumption is 2.30% per annum for both the non-hazardous and hazardous systems.

The target allocation and best estimates of nominal real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity	18.75%	4.30%
International Equity	18.75%	4.80%
Core Bonds	13.50%	1.35%
Cash Equivalent	1.00%	0.20%
High Yield	15.00%	2.60%
Opportunistic	3.00%	2.97%
Real Estate	5.00%	4.85%
Real Return	15.00%	4.10%
Private Equity	10.00%	6.65%
Total	**100.00%**	**3.89%**

Discount rate—For CERS, the discount rate used to measure the total pension liability was 6.25%. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for each system. The projection of cash flows used to determine the single discount rate assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018).

Sensitivity of the Organization's proportionate share of net pension liability to changes in the discount rate—The following table presents the net pension liability of the Organization, calculated using the discount rates selected by each pension system, as well as what the Organization'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.

	Discount rate	**Organization's proportionate share of net**
1% decrease	5.25%	$ 2,729,593
Current discount rate	6.25%	$ 2,182,424
1% increase	7.25%	$ 1,726,364

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

NOTE 8 – RETIREMENT PLAN (CONTINUED)

Other Post-Employment Benefits (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Organization reported a liability for its proportionate share of the OPEB liability for CERS. The amount recognized by the Organization as its proportionate share of the net OPEB liability, the related Commonwealth support, and the total portion of the net OPEB liability that was associated with the Organization were as follows:

Organization's proportionate share of the CERS net OPEB liability	$ 521,793
Commonwealth's proportionate share of the CERS net OPEB liability associated with the Organization	1,681,433,157
	$ 1,681,954,950

The net OPEB liability for each plan was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The Organization's proportion of the net OPEB 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, 2019, the Organization's proportion was 0.031031% percent.

For the year ended June 30, 2020, the Organization recognized OPEB expense of $54,353 related to CERS. At June 30, 2020, the Organization 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 projected and actual experience	$ -	$ 157,435
Changes of assumptions	154,400	1,032
Difference between projected and actual earnings on Plan investments	3,437	26,612
Changes in proportion and differences between Company contributions and proportionate share of contributions	11,899	24,067
Organization contributions subsequent to the measurement date	35,154	-
Total	$ 204,890	$ 209,146

The $35,154 reported as deferred outflows of resources related to OPEBs resulting from Organization contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows related to OPEBs will be recognized as a decrease in OPEB expense as follows:

Year ending June 30,	
2021	$ (5,786)
2022	(5,786)
2023	1,582
2024	(12,529)
2025	(13,893)
2026 and thereafter	(2,998)

NOTE 8 – RETIREMENT PLAN (CONTINUED)

Actuarial assumptions—The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Healthcare Cost Trend Rate	7.25%
Salary increases	3.30%, average, including inflation
Investment rate of return	6.25%, net of Plan investment expense, including inflation

For CERS, the mortality table used for active members is Pub-210 General Mortality table, for the Non-Hazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, project with the ultimate rates from the MP-2014 mortality improvements scale using a base year of 2010. The mortality table used for health retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was Pub-2010 Disabled Mortality table, with a 4-year-set-forward for both male and female rates, project with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

For CERS, the long-term expected rate of return was determined by using a building block method in which best estimates ranges of expected future real rates of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The current long-term inflation assumption is 2.30% per annum for both the non-hazardous and hazardous systems.

The target allocation and best estimates of nominal real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity	18.75%	4.30%
International Equity	18.75%	4.80%
Core Bonds	13.50%	1.35%
Cash Equivalent	1.00%	0.20%
High Yield	15.00%	2.60%
Opportunistic	3.00%	2.97%
Real Estate	5.00%	4.85%
Real Return	15.00%	4.10%
Private Equity	10.00%	6.65%
Total	**100.00%**	**3.89%**

Discount rate—For CERS, the discount rate used to measure the total OPEB liability was 5.68%. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 3.13%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2019. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the 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 retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the System's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the System's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The projection of cash flows used to determine the single discount rate assumes that the funds receive the required employer contributions for future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018).

NOTE 8 – RETIREMENT PLAN (CONTINUED)

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

	Discount rate	Organization's proportionate share of net
1% decrease	4.68%	$ 698,988
Current discount rate	5.68%	$ 521,793
1% increase	6.68%	$ 375,796

Sensitivity of the Organization's proportionate share of net OPEB liability to changes in the healthcare cost trend rate—The following table presents the net OPEB liability of the Organization, calculated using the current healthcare cost trend rate selected by each OPEB system, as well as what the Organization's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	Organization's proportionate share of net
1% decrease	$ 388,060
Current healthcare cost trend rate	$ 521,793
1% increase	$ 683,960

OPEB plan fiduciary net position—Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial reports of CERS. The reports are available on the Kentucky Retirement Systems website.

NOTE 9 – RISK MANAGEMENT

The Organization 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. In addition to its general liability insurance, the Organization also carries commercial insurance for all other risks of loss such as worker's compensation and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 10- CORONAVIRUS (COVID-19) IMPACT

Prior to June 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a pandemic. COVID-19 continues to spread across the globe and is impacting worldwide economic activity and financial markets. The continued spread of the disease represents a significant risk that operations could be disrupted in the near future. The Organization was shut down to patrons from March 13, 2020 through June 1, 2020 at the Pavilion, and until June 29th at the Ed David Learning Center. All programs were cancelled through the year end. The Organization had the full-time staff and 5 part-time staff working to perform essential duties. The extent to which COVID-19 may impact the Organization will depend on future developments and government regulations, which are highly uncertain and cannot be predicted. As a result, the Organization has not yet determined the impact this disruption may have on its financial statements for the year ending June 30, 2021.

NOTE 11 – RESTATEMENT OF BEGINNING NET POSITION

During 2020 an error was discovered regarding the prior year calculations of the proportionate share of pension and OPEB liabilities. Accordingly, beginning net position in the accompanying 2020 Statement of Activities has been reduced by $1,590,834 from the previously-reported amount in the 2019 audited financial statements.

Ending Net Position per 2019 Audited Statement of Activities	$ 501,576
Adjustment due to implementation of GASB 68 and 75	(1,590,834)
Restated beginning Net Position on Statement of Activities	$ (1,089,258)

NOTE 12 – SUBSEQUENT EVENTS

Management of the Organization has considered subsequent events through June 15, 2021, the date this report became available for issuance.

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

To the Board of Trustees
Georgetown-Scott County Parks & Recreation
Georgetown, 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 of Georgetown-Scott County Parks & Recreation, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Georgetown-Scott County Parks & Recreation's basic financial statements, and have issued our report thereon dated June 15, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies (2020-1).

Compliance and Other Matters

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

CRAFT, WANINGER, NOBLE
& COMPANY, PLLC
CPAs & Trusted Advisors

Georgetown-Scott County Parks & Recreation's Response to Findings

Georgetown-Scott County Parks & Recreation's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Georgetown-Scott County Parks & Recreation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Craft, Waninger, Noble & Company, PLLC

Craft, Waninger, Noble & Company, PLLC
Richmond, Kentucky
June 15, 2021

FINDINGS- FINANCIAL STATEMENT AUDIT

2020-1

Criteria:
As discussed in *Standards for Internal Control in the Federal Government* published by the General Accounting Office of the United States, internal control is an integral component of an organization's management that provides reasonable assurance that an objective of reliable financial reporting is being achieved. Organizations should implement procedures to ensure this objective is achieved.

Condition:
During the audit procedures performed, instances of this objective not being completely achieved were noted.

Cause:
At present the Organization does not have an individual with the required expertise for financial accounting and reporting necessary to successfully apply generally accepted accounting principles in regard to recording the entity's financial transactions and in drafting the financial statements and related disclosures.

Effect:
The Organization did not have effective procedures in place to ensure that all accruals and adjustments that are needed have been appropriately recorded. Additionally, the Organization's staff or contracted personnel did not collectively possess a full working knowledge of generally accepted accounting principles.

Organization Response and Corrective Action Plan:
Management is aware of the deficiency caused by having no certified public accountant on staff. Supervision by the Board of Trustees, and enhanced oversight by the Treasurer, remains an integral part of the Organization's financial procedure.

We did not audit the Organization's response and, accordingly, we express no opinion on it.

Georgetown-Scott County Parks & Recreation
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended June 30, 2020

Revenues	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Intergovernmental transfers	$ 2,059,528	$ 2,059,528	$ 2,132,346	$ 72,818
Program revenues	508,000	508,000	151,778	(356,222)
Membership revenues	894,850	894,850	579,419	(315,431)
Grants and donations	7,000	7,000	3,003	(3,997)
Interest income	-	-	519	519
Other revenues	800	800	2,009	1,209
Total Revenues	3,470,178	3,470,178	2,869,074	(601,104)
Expenditures				
Current				
Personnel expenses	2,406,678	2,406,678	1,840,926	565,752
Program supplies	154,250	154,250	130,307	23,943
Repairs and maintenance	263,900	263,900	238,206	25,694
Utilities and telephone	288,950	288,950	256,619	32,331
Insurance	93,500	93,500	86,911	6,589
Office supplies	51,600	51,600	58,874	(7,274)
Professional fees	16,000	16,000	8,235	7,765
Software and support	30,000	30,000	56,393	(26,393)
Marketing and advertising	25,600	25,600	29,567	(3,967)
Travel	51,600	51,600	25,843	25,757
Miscellaneous expenses	1,800	1,800	2,392	(592)
Staff education	10,800	10,800	6,584	4,216
Total Current Expenditures	3,394,678	3,394,678	2,740,857	653,821
Operating capital outlays	75,500	75,500	256,645	(181,145)
Total Expenditures	3,470,178	3,470,178	2,997,502	472,676
Net change in fund balance	-	-	(128,428)	(128,428)
Fund balance - beginning	559,311	559,311	559,311	
Fund balance - ending	$ 559,311	$ 559,311	$ 430,883	

See Independent Auditor's Report.

Georgetown-Scott County Parks & Recreation
Schedule of Proportionate Share of the Net Pension Liability
For the Years Ended June 30, 2020, 2019, 2018, 2017, 2016, and 2015

	2020	2019	2018	2017	2016	2015
Organization's proportion of the net pension liability	0.031031%	0.032472%	0.031271%	0.029520%	0.031872%	0.031020%
Organization's proportionate share of the net pension liability	$ 2,182,424	$ 1,977,641	$ 1,830,397	$ 1,453,453	$ 1,370,347	$ 1,006,410
Organization's covered employee payroll	$ 738,534	$ 782,723	$ 804,812	$ 761,376	$ 675,264	$ 746,344
Organization's share of the net pension liability as a percentage of its covered employee payroll	295.51%	252.66%	227.43%	190.90%	202.94%	134.85%
Plan fiduciary net position as a percentage of the total pension liability	50.45%	53.54%	53.32%	55.50%	59.97%	66.80%

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

See the following Schedule of Changes in Benefits and Assumptions- Pension for any changes during the periods shown above.

The amounts presented for each fiscal year were determined (measured) as of the previous fiscal year.

See Independent Auditor’s Report.

Georgetown-Scott County Parks & Recreation
Schedule of Pension Contributions
For the Years Ended June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014

	2020	2019	2018	2017	2016	2015	2014
Contractually required employer contribution	$ 142,538	$ 126,958	$ 116,537	$ 106,212	$ 83,868	$ 95,159	$ 134,431
Contributions relative to contractually required employer contribution	$ 142,538	$ 126,958	$ 116,537	$ 106,212	$ 83,868	$ 95,159	$ 134,431
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Company's covered employee payroll	$ 738,534	$ 782,723	$ 804,812	$ 761,376	$ 675,264	$ 746,344	$ 978,390
Employer contributions as a percentage of covered-employee payroll	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%	13.74%

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

See the following Schedule of Changes in Benefits and Assumptions- Pension for any changes during the periods shown above.

Contractually required employer contributions exclude the portion of contributions paid to CERS but allocated to the insurance fund of CERS. The above contributions only include those contributions allocated directly to the CERS pension fund.

See Independent Auditor’s Report.

Georgetown-Scott County Parks & Recreation
Schedule of Changes in Benefits and Assumptions- Pension
For the Year Ended June 30, 2020

County Employee Retirement System

Changes of benefit terms – The following changes were adopted during the 2018 legislative session.

- Benefits paid to the spouses of deceased members have been increased from 25% of the member's final pay rate to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving children have been increased from 10% of the member's final pay to 50% of the average pay for one child, 65% of the average pay for two children, or 75% of the average pay for three children.

Changes in assumptions – The following changes were adopted by the Board of Trustees and reflected in the valuation performed as of June 30, listed below:

2019

- Updated the mortality tables from RP-2000 to Pub-2010

2017

- The assumed investment rate of return was decreased from 7.50% to 6.25%
- The assumed rate of inflation was reduced from 3.25% to 2.30%
- The assumed rate of wage inflation decreased by 0.95%
- The payroll growth assumption was reduced from 4.00% to 2.00%

2015

- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (setback one year for females). For disabled members the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (setback four year for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.
- Assumed rates of retirement, withdrawal, and disability were updated to more accurately reflect experience.

Method and assumptions used in calculations of actuarially determined contributions – The actuarially determined contributions rates are determined on an annual basis beginning with the fiscal years ended 2017, determined as of June 30, 2015. The amortization period of the unfunded liability has been reset as of July 1, 2014 to a closed 28-year period. The following actuarial methods and assumptions were used to determine contribution rates reports in that schedule:

Actuarial cost method	Entry age normal
Amortization method	Level of percentage of payroll
Remaining amortization period	28 years
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	3.25%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

See Independent Auditor's Report.

Georgetown-Scott County Parks & Recreation
Schedule of Proportionate Share of the Net OPEB Liability
For the Years Ended June 30, 2020, 2019, 2018, 2017, and 2016

	2020	2019	2018	2017	2016
Organization's proportion of the net pension liability	0.031031%	0.032472%	0.031271%	0.029520%	0.031872%
Organization's proportionate share of the net pension liability	$ 521,793	$ 576,507	$ 628,655	$ 628,655	$ 493,097
Organization's covered employee payroll	$ 738,534	$ 782,723	$ 804,812	$ 761,376	$ 675,264
Organization's share of the net pension liability as a percentage of its covered employee payroll	70.65%	73.65%	78.11%	82.57%	73.02%
Plan fiduciary net position as a percentage of the total pension liability	50.45%	53.54%	52.39%	55.24%	59.97%

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

See the following Schedule of Changes in Benefits and Assumptions- Pension for any changes during the periods shown above.

The amounts presented for each fiscal year were determined (measured) as of the previous fiscal year.

See Independent Auditor’s Report.

Georgetown-Scott County Parks & Recreation
Schedule of OPEB Contributions
For the Years Ended June 30, 2020, 2019, 2018, 2017 and 2016

	2020	2019	2018	2017	2016
Contractually required employer contribution	$ 35,154	$ 41,171	$ 37,826	$ 36,013	$ 31,332
Contributions relative to contractually required employer contribution	$ 35,154	$ 41,171	$ 37,826	$ 36,013	$ 31,332
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Company's covered employee payroll	$ 738,534	$ 782,723	$ 804,812	$ 761,376	$ 675,264
Employer contributions as a percentage of covered-employee payroll	4.76%	5.26%	4.70%	4.73%	4.64%

Notes:

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

See the following Schedule of Changes in Benefits and Assumptions- OPEB for any changes during the periods shown above.

Contractually required employer contributions exclude the portion of contributions paid to CERS but allocated to the pension fund of CERS. The above contributions only include those contributions allocated directly to the CERS insurance fund.

See Independent Auditor’s Report.

Georgetown-Scott County Parks & Recreation
Schedule of Changes in Benefits and Assumptions- OPEB
For the Year Ended June 30, 2020

County Employee Retirement System

Changes of benefit terms – The following changes were adopted during the 2018 legislative session.

- The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty.

Changes in assumptions – The following changes were adopted by the Board of Trustees and reflected in the valuation performed as of June 30, listed below:

2019

- Updated the mortality tables from RP-2000 to Pub-2010
- The single discount rate was decreased from 5.84% to 5.68%

2017

- The assumed investment rate of return was decreased from 7.50% to 6.25%
- The assumed rate of inflation was reduced from 3.25% to 2.30%
- The assumed rate of wage inflation decreased by 0.95%
- The payroll growth assumption was reduced from 4.00% to 2.00%

Method and assumptions used in calculations of actuarially determined contributions – The actuarially determined contributions rates are determined on an annual basis beginning with the fiscal years ended 2017, determined as of June 30, 2015. The amortization period of the unfunded liability has been reset as of July 1, 2014 to a closed 28-year period. The following actuarial methods and assumptions were used to determine contribution rates reports in that schedule:

Actuarial cost method	Entry age normal
Amortization method	Level of percentage of payroll
Remaining amortization period	28 years
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	3.25%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

See Independent Auditor's Report.