GEORGETOWN-SCOTT COUNTY PARKS & RECREATION

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

FOR THE YEAR ENDED JUNE 30, 2021

CRAFT, WANINGER, NOBLE
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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, 2021, 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, 2021, 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 25 through 31 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 May 16, 2022 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
May 16, 2022

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, 2021. 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, 2021 and 2020:

	June 30, 2021	June 30, 2020	Variance
Capital assets, net of depreciation	$ 676,568	$ 678,351	$ (1,783)
Other assets	1,348,055	580,242	767,813
Deferred outflows	676,568	701,308	(24,740)
Long-term liabilities	2,978,010	2,770,366	207,644
Current liabilities	153,507	149,359	4,148
Deferred inflows	345,067	347,509	(2,442)
Invested in fixed assets	637,326	678,351	(41,025)
Unrestricted net position	(1,451,961)	(1,985,684)	533,723

Revenue and Expense Comparison for the years ended:

	June 30, 2021	June 30, 2020	Variance
Intergovernmental transfers	$ 2,445,983	$ 2,132,346	$ 313,637
Program revenues	192,520	151,778	40,742
Membership revenues	463,640	579,419	(115,779)
Grants and donations	-	3,003	(3,003)
Interest income	413	519	(106)
Other revenues	149	2,009	(1,860)
Total revenues	3,102,705	2,869,074	233,631
Personnel expenses	1,714,945	2,049,884	(334,939)
Program supplies	127,206	130,307	(3,101)
Repairs and maintenance	149,257	238,206	(88,949)
Utilities and telephone	237,071	256,619	(19,548)
Insurance	82,931	86,911	(3,980)
Office supplies	46,218	58,874	(12,656)
Professional fees	19,399	8,235	11,164
Software and support	30,892	56,393	(25,501)
Marketing and advertising	10,556	29,567	(19,011)
Travel	26,305	25,843	462
Miscellaneous	13,928	2,392	11,536
Staff education	7,473	6,584	889
Depreciation	143,802	137,334	6,468
Total expenditures	2,609,983	3,087,149	(477,166)
Change in net position	$ 492,722	$ (218,075)	$ 710,797

The Organization's main source of revenue is intergovernmental support from the City of Georgetown and Scott County Fiscal Court, which is approximately 78.83% of the Organization's total revenue. Other income sources include revenue generating activity through rentals, facility usage, and program participation. The personnel expense represents 65.71% of total operating expenditures. Personnel expenditures decreased about 16.34% from the previous year. This decrease is due to the impact of COVID-19 on the operations or the Organization. The Organization contributions to CERS were approximately 8.61% of the personnel expenses coming in at $147,712. Amortizations related to the pension and OPEB liabilities were approximately 13.12% of the personnel expenses coming in at $224,924.

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 due to the uncertainty of the impact of COVID. 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. To date, we have not yet collected the balance of $74,124.14 for the remainder of the balance on the repairs to the lazy river pipes. Although FY 2020 – 2021 was initially denied all capital, FY 2021-2022 was approved for much need upgrades in financial accounting software, replacement of fitness equipment, infield conditioner for ball fields, an off-road utility vehicle, a scoreboard, replacement diving blocks, two zero turn mowers, a replacement skidloader, pull behind seeder, LED lamp replacements for the Pavilion light fixtures, and a Masterplan for a total of $378,000 in approved capital expenditures.

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 2021 – 2020

	Budgeted	Actual Amount	Difference
Net Revenue	$ 3,190,847	$ 3,102,705	$ (88,142)
Personnel expenses	2,185,447	1,485,003	700,444
Program supplies	147,900	127,206	20,694
Repairs and maintenance	151,100	149,257	1,843
Utilities and telephone	360,300	237,071	123,229
Insurance	87,500	82,931	4,569
Office supplies	48,000	46,218	1,782
Professional fees	16,000	19,399	(3,399)
Software and support	30,000	30,892	(892)
Marketing and advertising	10,500	10,556	(56)
Travel	30,600	26,305	4,295
Miscellaneous	7,700	13,928	(6,228)
Staff education	10,800	7,473	3,327
Capital outlay	105,000	102,776	2,224
Total Budgeted	$ -	$ 763,690	$ 763,690

Economic Factors and Next Year's Budget

The COVID pandemic had a significant impact on the overall financial stability of Georgetown Scott County Parks and Recreation. COVID greatly impacted GSC Parks ability to collect revenue through user fees and service charges. According to ARPA Loss of Revenue Calculations, our loss of revenue from 6/30/2019 – 12/31/2021 is $3,865,061.50. We drastically cut our expenses during COVID by laying off almost 100 employees, closed facilities, held on full-time hires, and suspended programming. We are slowly recovering as participation numbers are increasing, membership and daily user fees are increasing, and we are having the ability to offer programs again which makes Scott County a great place to live.

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. 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. GSC Parks is still going through the process of updating our payroll system, financial accounting system, and hopefully our program scheduling software. These upgrades will incur additional annual expenses which GSC Parks did not have in the past. These updates are necessary to allow the ability to report the department's finances in a manner that is required by the Department of Local Government for the State of Kentucky, National Recreation and Park Association, the city and county, the GSC Parks Board and other stakeholders.

As we are coming out of the COVID recession, there is a scramble by business and government organizations to offer a competitive wage to their employees for retention and to be able to adjust to rising inflation. Through analysis, it was determined that GSC Parks employees are underpaid for their field and no longer being paid within the grade range for same grade employees with the City of Georgetown. Management is working with the City of Georgetown, Scott County Fiscal Court, and the GSC Parks Board to adjust full-time employee pay through the budgeting process to be more equitable and competitive in the FY 2022-2023 budget.

In the upcoming year, there will be much larger capital support and expenditures from the City of Georgetown and Scott County Fiscal Court as GSC Parks makes significant improvements to the air handling system and observation decks at the Pavilion.

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, Erik Flaig.

Georgetown-Scott County Parks & Recreation
Statement of Net Position
June 30, 2021

Assets		
Cash and cash equivalents	$	1,332,212
Accounts receivable		-
Prepaid insurance and expenses		15,843
Fixed Assets:		
Depreciable buildings, property and equipment, net of depreciation		637,326
Total Fixed Assets		637,326
Total Assets		1,985,381
Deferred Outflows of Resources:		
Subsequent pension & OPEB contributions		147,712
Deferred outflows related to pensions		245,084
Deferred outflows related to OPEB		283,772
Total Deferred Outflows of Resources		676,568
Total Assets and Deferred Outflows of Resources	$	2,661,949
Liabilities:		
Accounts payable	$	50,425
Accrued payroll liabilities		65,098
Deferred membership dues		32,984
Current portion of compensated absences		5,000
Long-Term Obligations:		
Compensated absences		71,167
Net pension liability		2,211,208
Net OPEB liability		695,635
Total Liabilities		3,131,517
Deferred Inflows of Resources:		
Deferred inflows related to pensions		161,342
Deferred inflows related to OPEB		183,725
Total Deferred Inflows of Resources		345,067
Net Position:		
Unrestricted		(1,451,961)
Invested in fixed assets		637,326
Total Net Position		(814,635)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$	2,661,949

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, 2021

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	$ (2,609,983)	656,160	-	$ (1,953,823)
General Revenues:				
Intergovernmental transfers				$ 2,445,983
Interest income				413
Other income				149
Total general revenues				2,446,545
Change in net position				492,722
Net position - beginning				(1,307,357)
Net position - ending				$ (814,635)

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

Georgetown-Scott County Parks & Recreation

Balance Sheet

Governmental Fund

June 30, 2021

		Governmental Fund
Assets		
Cash and cash equivalents	$	1,332,212
Accounts receivable		-
Prepaid insurance and expenses		15,843
Total Assets	$	1,348,055
Liabilities		
Accounts payable	$	50,425
Accrued payroll liabilities		65,098
Deferred membership dues		32,984
Compensated absences		5,000
Total Liabilities	$	153,507
Fund Balances		
Nonspendable	$	15,843
Unassigned		1,178,705
Total Fund Balances	$	1,194,548
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	$	637,326
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		(2,575,342)
Certain liabilities (including compensated absences) are not due and payable in the current period and therefore, are not reported in the fund		(71,167)
Net position of governmental activities	$	(814,635)

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, 2021

	Governmental Fund
Revenues	
Intergovernmental transfers	$ 2,445,983
Program revenues	192,520
Membership revenues	463,640
Grants and donations	-
Interest income	413
Other revenues	149
Total Revenues	3,102,705
Expenditures	
Personnel expenses	1,485,003
Program supplies	127,206
Repairs and maintenance	149,257
Utilities and telephone	237,071
Insurance	82,931
Office supplies	46,218
Professional fees	19,399
Software and support	30,892
Marketing and advertising	10,556
Travel	26,305
Miscellaneous expenses	13,928
Staff education	7,473
Total Current Expenditures	2,236,239
Operating capital outlays	102,776
Total Expenditures	2,339,015
Net change in fund balance	763,690
Fund balance - beginning	430,858
Fund balance - ending	$ 1,194,548

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, 2021

Reconciliation to the Statement of Activities:	
Net Change in Fund Balance - Governmental Fund	$ 763,690
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	102,776
Depreciation Expense	(143,802)
Governmental Funds report pension and OPEB related expenses of $147,199. However, the Statement of Net Position reports pension and OPEB expenses calculated pursuant to GASB 68 and 75 of $372,123.	(224,924)
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.	(5,018)
Change in Net Position of Governmental Activities	$ 492,722

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, 2021 was $143,802.

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, 2021, fund balances are comprised of the following:

	General Fund
Nonspendable	$ 15,843
Unassigned	$ 1,178,705

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, 2021 was as follows:

Category 1	$	250,000
Category 2	$	991,253
Category 3	$	-

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

Governmental Activities	July 1, 2020	Increases	Decreases	June 30, 2021
Buildings and improvements	$ 930,482	$ 76,124	$ -	$ 1,006,606
Equipment	1,412,893	26,652	-	1,439,545
Vehicles	266,850	-	-	266,850
Construction in Progress	2,660	-	-	2,660
Total at historical cost	2,612,885	102,776	-	2,715,661
Less accumulated depreciation	1,934,533	143,802	-	2,078,335
Capital assets – net	$ 678,352	$ (41,026)	$ -	$ 637,326

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, 2021, the liability for these absences was $76,167 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, 2021 $32,984 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, 2021:

	Compensated Absences	Net Pension Liability	Net OPEB Liability
Payable at June 30, 2020	$ 71,149	$ 2,182,424	$ 521,793
Increase in liability	5,018	28,784	173,842
(Decrease) in liability	-	-	-
Payable at June 30, 2021	$ 76,167	$ 2,211,208	$ 695,635

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, 2021 consisted of $1,1121,211 from Scott County and $1,324,772 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, 2021, 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	$	2,211,208
Commonwealth's proportionate share of the CERS net pension liability associated with the Organization		7,667,706,003
	$	7,669,917,211

The net pension liability for each plan was measured as of June 30, 2020, 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, 2020, the Organization's proportion was 0.028827%.

For the year ended June 30, 2021, the Organization recognized pension expense of $303,091 related to CERS. At June 30, 2021, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		Deferred Inflows of Resources	
Difference between projected and actual experience	$	55,137	$	-
Changes of assumptions		86,338		-
Difference between projected and actual earnings		95,841		40,513
Changes in proportionate share and differences between contributions and proportionate share of contributions		7,768		120,829
Contributions made subsequent to the measurement date		118,489		-
	$	363,573	$	161,342

The $118,489 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30,	Increase (decrease) in pension expense	
2022	$	32,955
2023		7,715
2024		20,850
2025		22,222
Total	$	83,742

Actuarial assumptions—The total pension liability in the June 30, 2020 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-2010 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, projected 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%	4.50%
International Equity	18.75%	5.25%
Core Bonds	13.50%	-0.25%
Cash Equivalent	1.00%	-0.75%
High Yield	15.00%	3.90%
Opportunistic	3.00%	2.25%
Real Estate	5.00%	5.30%
Real Return	15.00%	3.95%
Private Equity	10.00%	6.65%
Total	**100.00%**	**3.96%**

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.

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%	$ 2,726,653
Current discount rate	6.25%	$ 2,211,208
1% increase	7.25%	$ 1,784,033

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, 2021, 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	$	695,635
Commonwealth's proportionate share of the CERS net OPEB liability associated with the Organization		2,414,000,249
	$	2,414,695,884

The net OPEB liability for each plan was measured as of June 30, 2020, 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, 2020, the Organization's proportion was 0.028827%.

For the year ended June 30, 2021, the Organization recognized OPEB expense of $69,032 related to CERS. At June 30, 2021, the Organization reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description		Deferred Outflows of Resources		Deferred Inflows of Resources
Difference between projected and actual experience	$	116,268	$	116,358
Changes of assumptions		121,043		736
Difference between projected and actual earnings		37,329		14,200
Changes in proportionate share and differences between contributions and proportionate share of contributions		9,132		52,431
Contributions made subsequent to the measurement date		29,223		-
	$	312,995	$	183,725

The $29,223 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows related to OPEBs will be recognized in OPEB expense as follows:

Fiscal year ending June 30,		Increase (decrease) in OPEB expense
2022	$	27,862
2023		34,707
2024		21,612
2025		18,735
2026		(2,869)
2027 and thereafter		-
Total	$	100,047

NOTE 8 – RETIREMENT PLAN (CONTINUED)

Actuarial assumptions—The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.30% to 11.55%, varying by service
Investment rate of return	6.25%, net of Plan investment expense, including inflation
Healthcare Cost Trend Rate	
Pre-65	Initial trend starting at 7.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.
Post-65	Initial trend starting at 5.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.

For CERS, the mortality table used for active members is Pub-2010 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, projected 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%	4.50%
International Equity	18.75%	5.25%
Core Bonds	13.50%	-0.25%
Cash Equivalent	1.00%	-0.75%
High Yield	15.00%	3.90%
Opportunistic	3.00%	2.25%
Real Estate	5.00%	5.30%
Real Return	15.00%	3.95%
Private Equity	10.00%	6.65%
Total	**100.00%**	**3.96%**

Discount rate—For CERS, the discount rate used to measure the total OPEB liability was 5.34%. 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 2.45%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2020. 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 actuarial 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.

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%	$ 894,016
Current discount rate	5.68%	$ 695,635
1% increase	6.68%	$ 533,165

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	$ 538,794
Current healthcare cost trend rate	$ 695,635
1% increase	$ 886,533

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

The global coronavirus (COVID-19) pandemic continues to impact the Organization. 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 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, 2022.

NOTE 11 – SUBSEQUENT EVENTS

Management of the Organization has considered subsequent events through May 16, 2022, 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, 2021, 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 May 16, 2022.

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 (2021-1).

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
May 16, 2022

GEORGETOWN-SCOTT COUNTY PARKS & RECREATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021

FINDINGS- FINANCIAL STATEMENT AUDIT

2021-1

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, 2021

Revenues	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Intergovernmental transfers	$ 2,213,327	$ 2,388,522	$ 2,445,983	$ 57,461
Program revenues	622,420	384,325	192,520	(191,805)
Membership revenues	596,000	417,000	463,640	46,640
Grants and donations	-	-	-	-
Interest income	-	-	413	413
Other revenues	1,000	1,000	149	(851)
Total Revenues	3,432,747	3,190,847	3,102,705	(88,142)
Expenditures				
Personnel expenses	2,373,147	2,185,447	1,485,003	700,444
Program supplies	162,600	147,900	127,206	20,694
Repairs and maintenance	156,100	151,100	149,257	1,843
Utilities and telephone	369,800	360,300	237,071	123,229
Insurance	95,500	87,500	82,931	4,569
Office supplies	48,000	48,000	46,218	1,782
Professional fees	16,000	16,000	19,399	(3,399)
Software and support	30,000	30,000	30,892	(892)
Marketing and advertising	25,500	10,500	10,556	(56)
Travel	32,600	30,600	26,305	4,295
Miscellaneous expenses	7,700	7,700	13,928	(6,228)
Staff education	10,800	10,800	7,473	3,327
Total Current Expenditures	3,327,747	3,085,847	2,236,239	1,091,508
Operating capital outlays	105,000	105,000	102,776	2,224
Total Expenditures	3,432,747	3,190,847	2,339,015	851,832
Net change in fund balance	-	-	763,690	763,690
Fund balance - beginning	430,858	430,858	430,858	
Fund balance - ending	$ 430,858	$ 430,858	$ 1,194,548	

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, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.028827%	0.031031%	0.032472%	0.031271%	0.029520%	0.031872%	0.031020%
Proportionate share of the net pension liability	$ 2,211,208	$ 2,182,424	$ 1,977,641	$ 1,830,397	$ 1,453,453	$ 1,370,347	$ 1,006,410
Covered employee payroll	$ 613,930	$ 738,534	$ 782,723	$ 804,812	$ 761,376	$ 675,264	$ 746,344
Share of the net pension liability as a percentage of its covered employee payroll	360.17%	295.51%	252.66%	227.43%	190.90%	202.94%	134.85%
Plan fiduciary net position as a percentage of the total pension liability	47.81%	50.45%	53.34%	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 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, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required employer contribution	$ 118,489	$ 142,538	$ 126,958	$ 116,537	$ 106,212	$ 83,868	$ 95,159	$ 134,431
Contributions relative to contractually required employer contribution	$ 118,489	$ 142,538	$ 126,958	$ 116,537	$ 106,212	$ 83,868	$ 95,159	$ 134,431
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Company's covered employee payroll	$ 613,930	$ 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%	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 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.

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
- The salary increase assumption was increased from an average of 3.05% to a range of 3.30% to 10.30%.

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	25 years
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary increase	3.30%, average, including inflation
Investment rate of return	6.25%, 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, 2021, 2020, 2019, 2018, and 2017

	2021	2020	2019	2018	2017
Proportion of the net OPEB liability	0.028827%	0.031031%	0.032472%	0.031271%	0.029520%
Proportionate share of the net OPEB liability	$ 695,635	$ 521,793	$ 521,793	$ 576,507	$ 628,655
Covered employee payroll	$ 613,930	$ 738,534	$ 738,534	$ 782,723	$ 761,376
Share of the net OPEB liability as a percentage of its covered employee payroll	113.31%	70.65%	70.65%	73.65%	82.57%
Plan fiduciary net position as a percentage of the total OPEB liability	51.67%	50.45%	53.54%	52.39%	55.24%

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 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, 2021, 2020, 2019, 2018, and 2017

	2021	2020	2019	2018	2017
Contractually required employer contribution	$ 29,223	$ 35,154	$ 41,171	$ 37,826	$ 36,013
Contributions relative to contractually required employer contribution	$ 29,223	$ 35,154	$ 41,171	$ 37,826	$ 36,013
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Company's covered employee payroll	$ 613,930	$ 738,534	$ 782,723	$ 804,812	$ 761,376
Employer contributions as a percentage of covered-employee payroll	4.76%	4.76%	5.26%	4.70%	4.73%

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 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

See Independent Auditor’s Report.

Georgetown-Scott County Parks & Recreation
Schedule of Changes in Benefits and Assumptions- OPEB
For the Year Ended June 30, 2021

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:

2020
- The single discount rate was decreased from 5.68% to 5.34%

2019
- Updated the mortality tables from RP-2000 to Pub-2010
- The single discount rate was decreased from 5.84% to 5.68%
- The salary increase assumption was increased from an average of 3.05% to a range of 3.30% to 10.30%.

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	25 years
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary increase	3.30%, average, including inflation
Investment rate of return	6.25%, net of pension plan investment expense, including inflation