TRIGG COUNTY SCHOOL DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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TRIGG COUNTY SCHOOL DISTRICT
JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Trigg County School District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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.

Auditors' Responsibility

Our responsibility is to express opinions 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*. 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 District'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, combining agency funds financial statement and combining and individual school activity fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining agency funds financial statement, combining and individual school activity fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, combining agency funds financial statement, combining and individual school activity fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Trigg County School District's internal control over financial reporting and compliance.

Duguid, Gentry & Associates, PSC

Duguid, Gentry & Associates, PSC

Certified Public Accountants
Hopkinsville, Kentucky

November 10, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

TRIGG COUNTY SCHOOL DISTRICT – CADIZ, KY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021

As management of the Trigg County School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The ending cash balance for the District was $10,025,021, as compared with the beginning cash balance of $18,760,273. The ending cash balance consists of amounts in the General Fund of $6,451,699, Construction Fund of $2,574,427, Nonmajor Governmental Funds of $579,527, Food Service Fund of $397,308 and Day Care Fund of $22,060.

- Total government-wide net position increased by $578,686. Total long-term obligations had a net increase of $394,977, while the unrestricted net assets decreased ($235,986) and restricted assets decreased by ($5,882,580).

- The General Fund had $19,677,921 in revenue, which primarily consisted of the state program (SEEK) funds, property, utilities, motor vehicle in lieu of taxes and on-behalf payments for fringe benefits from the Commonwealth of Kentucky. General Fund revenues decreased ($714,721) in comparison to prior year of $20,392,642. Excluding interfund transfers, there were General Fund expenditures totaling $19,290,964. This is a decrease of ($510,624) compared to $19,801,588 in General Fund expenditures for the prior year.

- The financial statements reflect a total of $6,143,408 of revenues and aid from the state for payments made by the state on behalf of District employees for retirement contributions, health insurance, technology and debt service. A like amount of expenses is also recorded in the financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements – The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and deferred outflows of resources and liabilities and deferred inflows. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets plus deferred outflows and liabilities plus deferred inflows – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, the reader needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, all the District's activities are reported as governmental activities.

- Governmental activities – All the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of the activities.

Fund financial statements – The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, the District provides additional information with the governmental funds statements that explain the relationship (or differences) between them.

- *Proprietary funds* – The District's proprietary funds are Food Service and School Age Childcare. The proprietary fund statements are the same as the business-type activities in the government-wide statements, but provide more detail and additional information, such as cash flows.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, as well as combining and individual fund statements and schedules, as listed in the table of contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources were greater than liabilities plus deferred inflows of resources by $11,438,406 at the close of the most recent fiscal year.

Net postemployment and pension benefits liabilities increased $415,705. This factor is outside the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it is the pension systems that collect, hold and distribute pensions to District employees, not the District. A significant portion of the District's net position, $14,628,341, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position $3,428,938, represents resources subject to external restrictions on how they may be used.

Following is a summary of the District's government-wide net position as of June 30, 2021 and 2020:

Net Position

	Governmental Activities		Business-type Activities		District Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current assets and other assets	$ 10,660,572	$ 18,687,941	$ 467,550	$ 280,711	$ 11,128,122	$ 18,968,652
Capital assets	29,084,734	23,183,492	819,325	853,752	29,904,059	24,037,244
Total assets	39,745,306	41,871,433	1,286,875	1,134,463	41,032,181	43,005,896
Deferred outflows of resources	3,196,420	2,379,733	468,937	410,932	3,665,357	2,790,665
LIABILITIES						
Current liabilities	226,996	3,296,959	-	13,849	226,996	3,310,808
Long-term debt	28,656,363	27,630,353	1,695,010	1,471,043	30,351,373	29,101,396
Total liabilities	28,883,359	30,927,312	1,695,010	1,484,892	30,578,369	32,412,204
Deferred inflows of resources	2,534,389	2,320,394	146,374	204,243	2,680,763	2,524,637
NET POSITION						
Investment in capital assets net of related debt	13,809,016	7,077,337	819,325	853,752	14,628,341	7,931,089
Restricted	3,428,938	9,311,518	-	-	3,428,938	9,311,518
Unrestricted	(5,713,976)	(5,385,395)	(904,897)	(997,492)	(6,618,873)	(6,382,887)
Total net position	$ 11,523,978	$ 11,003,460	$ (85,572)	$ (143,740)	$ 11,438,406	$ 10,859,720

The net pension liability (NPL) and the other postemployment benefits (OPEB) are the largest liabilities reported by the District as of June 30, 2021. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB.

GASB 68 (pension) and GASB 75 (OPEB) require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.

2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for-benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. Changes in benefits, contribution rates and return on investments affect the balance of these liabilities but are outside the control of the local government.

In the event that contributions, investment returns and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows of resources.

The increase for 2021 over 2020 in net position of governmental activities is largely due to increased state funding. The Kentucky School Facilities Construction Commission (SFCC) makes direct payments of principal and interest on District bonds issued for construction of facilities. The bonds payable are included in the long-term obligations of the District, and the payments are recorded as revenue from the State. The result is an increase in net position from the direct payment of principal and interest by the SFCC of $290,100. Another increase is the expenditure of current revenues on capital assets, an expenditure that does not reduce net position on the government-wide statements. The decrease in business-type activities net position is due mainly to current year changes in pension liability charges.

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

Following is a summary schedule of changes in the District's net position for the fiscal years ended June 30, 2021 and 2020:

Changes in Net Position

	Governmental Activities		Business-type Activities		District Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues						
Charges for services	$ -	$ -	$ 168,571	$ 216,378	$ 168,571	$ 216,378
Operating grants and contributions	9,771,299	7,949,544	1,108,471	1,139,859	10,879,770	9,089,403
Capital grants and contributions	432,812	290,100	-	-	432,812	290,100
General revenues						
Property taxes	5,107,542	4,934,523	-	-	5,107,542	4,934,523
Other taxes	3,164,072	3,179,442	-	-	3,164,072	3,179,442
State aid	6,545,914	6,851,311	154,549	155,822	6,700,463	7,007,133
Investment earnings	145,516	363,946	1,008	1,132	146,524	365,078
Other	419,211	1,299,930	-	-	419,211	1,299,930
Total revenues	25,586,366	24,868,796	1,432,599	1,513,191	27,018,965	26,381,987
EXPENSES						
Instruction	15,666,860	14,788,527	-	-	15,666,860	14,788,527
Support services						
Student	1,219,796	1,220,840	-	-	1,219,796	1,220,840
Instructional staff	1,271,019	1,387,933	-	-	1,271,019	1,387,933
District administration	937,923	981,645	-	-	937,923	981,645
School administration	1,381,024	1,349,774	-	-	1,381,024	1,349,774
Business	875,168	718,073	-	-	875,168	718,073
Plant operations and maintenance	1,493,124	1,763,868	-	-	1,493,124	1,763,868
Student transportation	1,534,235	1,400,723	-	-	1,534,235	1,400,723
Community services activities	171,255	169,022	-	-	171,255	169,022
Other non-instructional	12,603	11,085	-	-	12,603	11,085
Day care operations	22,135	21,150	-	-	22,135	21,150
Food service operations	66,115	1,901	-	-	66,115	1,901
Interest on long-term debt	414,049	151,932	-	-	414,049	151,932
Other	542	1,107,293	-	-	542	1,107,293
Food service	-	-	1,148,618	1,307,792	1,148,618	1,307,792
Day care	-	-	225,813	209,113	225,813	209,113
Total expenses	25,065,848	25,073,766	1,374,431	1,516,905	26,440,279	26,590,671
Change in net position before transfers	520,518	(204,970)	58,168	(3,714)	578,686	(208,684)
Transfers in (out)	-	-	-	-	-	-
Change in net position after transfers	$ 520,518	$ (204,970)	$ 58,168	$ (3,714)	$ 578,686	$ (208,684)

The net position of the District's governmental activities increased by $520,518. Net position reflects a positive balance of $11,523,978. The District has developed a strategic plan to best utilize the resources available and to preserve those resources as long as possible.

Expenses include $415,705 from pension and OPEB that is required to be recorded per GASB 68 and GASB 75.

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $10,492,237, a decrease of ($5,828,924) in comparison with the prior year. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (nonmajor) funds as reported in the basic financial statements as of June 30, 2021 and 2020.

The main sources of the General Fund's revenues are state aid in the form of SEEK allocations and locally assessed taxes. The majority of the District's activities are accounted for in the General Fund. The Special Revenue Fund consists of grant revenues, mostly state funds and federal funds administered through the state, and expenditures of those grants for specific programs in accordance with the grants' guidelines. In addition to the Special Revenue (Grant) Fund, the District has the Special Revenue District Activity Fund and the Special Revenue Student Activity Fund which includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements.

The SEEK Capital Outlay Fund's revenues are derived from state SEEK allowances based upon student enrollment. The FSPK Building Fund's revenues are produced by a five-cent property tax equivalent. The use of both funds' resources is generally restricted to facilities acquisition or improvement and payment of the related debt on facilities. The Construction Fund is used to account for facility construction and improvement projects funded by other funds or borrowing.

The Debt Service Fund is used to account for all activities related to long-term bond obligations.

Following is a summary of fund balances as of June 30, 2021 and 2020:

Governmental Funds	2021	2020	Increase (Decrease)
General Fund	$ 7,342,299	$ 7,289,363	$ 52,936
Special Revenue Fund	35,260	40,397	(5,137)
Building Fund	158,823	142,387	16,436
Capital Outlay	185,115	8,373	176,742
District Activity Fund	53,950	36,875	17,075
School Activity Fund	181,639	147,468	34,171
Debt Service Fund	(39,276)	(39,276)	-
Construction Fund	2,574,427	8,695,574	(6,121,147)
Total governmental funds	$ 10,492,237	$ 16,321,161	$ (5,828,924)

General Fund – The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $4,106,299, while total fund balance was $7,342,299. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 21.74% of total General Fund expenditures, while total fund balance represents 38.52% of that same amount.

During the current fiscal year, the total fund balance of the General Fund increased by $141,255. This increase in General Fund balance was primarily due to controlling expenditures, within the available revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with directives from the Kentucky Department of Education (KDE) and Kentucky law, the budgets of the District's funds are prepared to account for most transactions on a cash receipt/cash disbursement basis. The KDE requires a budget in which any budgeted remaining fund balance is shown as a contingency expense and any amounts being accumulated for other purposes ultimately shown as unspent or over-budgeted expenditures. By law, the budget must have a minimum 2.00% contingency. The District adopted a General Fund budget with a contingency of 5.68%. Over the course of the year, the District revises the annual operating budget as circumstances dictate or as required by KDE.

The note accompanying the Budgetary Comparison Schedules in the Required Supplementary Information indicates the General Fund budget did not include $5,569,173 of state payments on behalf of District employees for retirement, health benefits, technology and debt service. Local revenues are budgeted conservatively resulting in a favorable variance of local revenues for the year.

- The District's total revenues for General Fund activities for the fiscal year ended June 30, 2021, excluding interfund transfers, beginning balances and on-behalf payments, were $14,108,748; compared to the total budgeted revenues of $12,744,734.

- The District's total expenditures for General Fund activities for the fiscal year ended June 30, 2021, excluding interfund transfers and on-behalf payments, were $13,721,791; compared to the total budgeted expenditures of $16,516,611.

Significant Board action that impacts the District's finances includes the award of multiple contracts and salary increases mandated by the Legislature.

Special Revenue Fund (Fund 2) is made up of state, local and federal grants. These grants include Title I, No Child Left Behind funding, Preschool, Special Education funding and others. These funds have restricted use, according to the guidelines for each. Expenditures include salaries and benefits, supplies and transportation.

SEEK Capital Outlay Fund (Fund 310) and FSPK Building Fund (Fund 320) are restricted funds for capital projects. The District has used those funds for debt service payments. The State contributes to those funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – At June 30, 2021, the District had $29,904,059 invested in capital assets net of depreciation; historical costs totaled $50,747,095 with accumulated depreciation totaling $20,843,036. These assets include school, athletic and support facilities, as well as technology, food service and other equipment. Funds in the amount of $7,190,395 were expended on acquisition and improvements during the year. Depreciation charged to expense during the year totaled $1,039,418, the majority of which was charged to governmental functions. More detailed information relating to capital assets may be found in Note 3 to the financial statements.

Following is a summary of capital assets, net of depreciation, as of June 30, 2021 and 2020:

Net Capital Assets

	Governmental Activities		Business-type Activities		District Total	
	2021	2020	2021	2020	2021	2020
Land	$ 300,850	$ 300,850	$ -	$ -	$ 300,850	$ 300,850
Construction in progress	14,184,502	8,029,884	-	-	14,184,502	8,029,884
Buildings and improvements	12,758,245	13,132,242	792,186	820,992	13,550,431	13,953,234
Land improvements	447,092	343,468	-	-	447,092	343,468
Technology equipment	31,159	79,983	(5,621)	-	25,538	79,983
Vehicles	1,165,874	1,111,530	-	-	1,165,874	1,111,530
General equipment	197,012	185,535	32,760	32,760	229,772	218,295
Total	$ 29,084,734	$ 23,183,492	$ 819,325	$ 853,752	$ 29,904,059	$ 24,037,244

Long-term Debt – The District's long-term general obligation bonds outstanding at June 30, 2021 were $15,450,000. Of that amount, the Kentucky SFCC has agreed to make a portion of the principal and interest payment under agreements previously described. Though the District is liable for the full amount of the bonds and the full amount is recorded on the financial statements, the SFCC has agreed to pay $4,381,955 of the bonds leaving the District to pay $11,068,045. The liability for compensated absences increased for the fiscal year.

The State must approve the issuance of any new bonds of the District.

More detailed information about the District's long-term liabilities may be found in Note 4 to the financial statements.

OUTLOOK FOR THE FUTURE

The most crucial aspect in the financial future of the District is continued adequate funding from the state.

The District's major source of revenue is state aid, primarily Kentucky SEEK funding.

The District's financial position is contingent upon legislation and factors related to property taxation in conjunction with decisions made by the District's Board management. The District remains committed to utilizing resources to provide the maximum benefit to students and provide them with a quality education. This involves closely monitoring legislation and seeking new sources of revenues through grant writing, etc.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Superintendent or Finance Officer at (270.522.6075) or by mail at 202 Main Street, Cadiz, KY 42211.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 9,605,653	$ 419,368	$ 10,025,021
Accounts receivable			
Taxes	165,051	-	165,051
Other	1,059	28,951	30,010
Intergovernmental - state	10,280	-	10,280
Intergovernmental - indirect federal	878,529	-	878,529
Inventory	-	19,231	19,231
Capital assets			
Non-depreciable	14,485,352	-	14,485,352
Depreciable (net)	14,599,382	819,325	15,418,707
Total assets	39,745,306	1,286,875	41,032,181
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	1,944,299	175,892	2,120,191
Pension related	1,252,121	293,045	1,545,166
Total deferred outflows of resources	3,196,420	468,937	3,665,357
LIABILITIES			
Accounts payable	34,529	-	34,529
Accrued sick leave payable	29,480	-	29,480
Unearned revenue	104,326	-	104,326
Accrued interest	58,661	-	58,661
Long-term obligations			
Portion due or payable within one year			
Bonds payable	855,000	-	855,000
Portion due or payable after one year			
Bonds payable	14,420,718	-	14,420,718
Compensated absences	269,922	18,406	288,328
Net OPEB liability	6,195,792	423,917	6,619,709
Net pension liability	6,914,931	1,252,687	8,167,618
Total liabilities	28,883,359	1,695,010	30,578,369

Continued

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION, continued
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
OPEB related	2,299,253	78,400	2,377,653
Pension related	235,136	67,974	303,110
Total deferred inflows of resources	2,534,389	146,374	2,680,763
NET POSITION			
Net investment in capital assets	13,809,016	819,325	14,628,341
Restricted	3,428,938	-	3,428,938
Unrestricted	(5,713,976)	(904,897)	(6,618,873)
Total net position	$ 11,523,978	$ (85,572)	$ 11,438,406

See accompanying notes to financial statements

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues
Governmental Activities					
Instruction	$ 15,666,860	$ -	$ 6,771,780	$ -	$ (8,895,080)
Support services					
Student	1,219,796	-	423,864	-	(795,932)
Instructional staff	1,271,019	-	699,056	-	(571,963)
District administrative	937,923	-	462,969	-	(474,954)
School administrative	1,381,024	-	458,431	-	(922,593)
Business	875,168	-	206,459	-	(668,709)
Plant operations and maintenance	1,493,124	-	164,053	-	(1,329,071)
Student transportation	1,534,235	-	393,843	-	(1,140,392)
Community service activities	171,255	-	168,640	-	(2,615)
Other non-instructional	12,603	-	-	-	(12,603)
Day care operations	22,135	-	22,204	-	69
Food service operations	66,115	-	-	-	(66,115)
Facilities acquisition and construction	542	-	-	-	(542)
Interest on long-term debt	414,049	-	-	432,812	18,763
Total governmental activities	25,065,848	-	9,771,299	432,812	(14,861,737)
Business-type Activities					
Food service	1,148,618	13,231	1,108,471	-	(26,916)
Day care services	225,813	155,340	-	-	(70,473)
Total business-type activities	1,374,431	168,571	1,108,471	-	(97,389)
Total activities	$ 26,440,279	$ 168,571	$ 10,879,770	$ 432,812	$ (14,959,126)

Continued

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
Net Revenues (Expenses)	(14,861,737)	(97,389)	(14,959,126)
General Revenues			
Taxes			
Property	5,107,542	-	5,107,542
Motor vehicle	639,816	-	639,816
Utilities	848,433	-	848,433
Other	1,675,823	-	1,675,823
Student activities	12,813	-	12,813
Investment earnings	145,516	1,008	146,524
State aid	6,545,914	154,549	6,700,463
Gain (loss) on sale of fixed assets	(234,224)	-	(234,224)
Miscellaneous	640,622	-	640,622
Total general revenues	15,382,255	155,557	15,537,812
Change in net position before transfers	520,518	58,168	578,686
Transfers in (out)	-	-	-
Change in net position after transfers	520,518	58,168	578,686
Net position, beginning of year	11,003,460	(143,740)	10,859,720
Net position, end of year	$ 11,523,978	$ (85,572)	$ 11,438,406

See accompanying notes to financial statements

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

TRIGG COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Revenue	Construction	Nonmajor Governmental	Total
ASSETS					
Cash and cash equivalents	$ 6,451,699	$ -	$ 2,574,427	$ 579,527	$ 9,605,653
Accounts receivable					
Taxes	165,051	-	-	-	165,051
Other	1,059	-	-	-	1,059
Intergovernmental - state	-	10,280	-	-	10,280
Interfund receivable	788,499	-	-	-	788,499
Intergovernmental - indirect federal	-	878,529	-	-	878,529
Total assets	$ 7,406,308	$ 888,809	$ 2,574,427	$ 579,527	$ 11,449,071
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 34,529	$ -	$ -	$ -	$ 34,529
Accrued sick leave payable	29,480	-	-	-	29,480
Interfund payable	-	749,223	-	39,276	788,499
Unearned revenue	-	104,326	-	-	104,326
Total liabilities	64,009	853,549	-	39,276	956,834
Fund balances					
Nonspendable	-	-	-	-	-
Spendable					
Restricted	279,000	35,260	2,574,427	540,251	3,428,938
Committed	2,000,000	-	-	-	2,000,000
Assigned	957,000	-	-	-	957,000
Unassigned	4,106,299	-	-	-	4,106,299
Total fund balances	7,342,299	35,260	2,574,427	540,251	10,492,237
Total liabilities and fund balances	$ 7,406,308	$ 888,809	$ 2,574,427	$ 579,527	$ 11,449,071

See accompanying notes to financial statements

TRIGG COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balance per fund financial statements	$ 10,492,237
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $48,995,061 and the accumulated depreciation is $19,910,327	29,084,734
Pension and other postemployment benefit OPEB related items:	
Deferred outflows - OPEB	1,944,299
Deferred outflows - pension	1,252,121
Deferred inflows - OPEB	(2,299,253)
Deferred inflows - pension	(235,136)
Net OPEB liability	(6,195,792)
Net pension liability	(6,914,931)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:	
Bond obligations	(15,272,358)
Bond premium	(3,360)
Accrued interest on bonds	(58,661)
Noncurrent portion of accumulated sick leave	(269,922)
Net position for governmental activities	$ 11,523,978

See accompanying notes to financial statements

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Special Revenue	Construction	Nonmajor Governmental	Total
REVENUES					
From local sources					
Taxes					
Property	$ 4,533,085	$ -	$ -	$ 574,457	$ 5,107,542
Motor vehicle	639,816	-	-	-	639,816
Utilities	848,433	-	-	-	848,433
Other	1,675,823	-	-	-	1,675,823
Student activities	12,813	-	-	-	12,813
Earnings on investments	84,624	261	57,557	3,074	145,516
Other local revenues	199,420	2,700	-	438,502	640,622
Intergovernmental - state	11,644,304	1,545,609	-	863,988	14,053,901
Intergovernmental - federal	39,603	2,656,521	-	-	2,696,124
Total revenues	19,677,921	4,205,091	57,557	1,880,021	25,820,590
EXPENDITURES					
Current					
Instruction	11,704,144	2,628,319	-	235,967	14,568,430
Support services					
Student	1,129,758	87,927	-	-	1,217,685
Instructional staff	590,490	540,329	-	139,672	1,270,491
District administration	566,451	380,784	-	-	947,235
School administration	1,362,956	18,058	-	-	1,381,014
Business	764,474	108,624	-	-	873,098
Plant operations and maintenance	1,654,260	10,280	-	-	1,664,540
Student transportation	1,385,068	234,694	-	-	1,619,762
Food service operations	17,184	48,931	-	-	66,115
Community service activities	-	168,113	-	-	168,113
Other non-instructional	-	-	-	12,603	12,603
Day care operations	-	22,135	-	-	22,135
Land improvements/acquisition	115,637	-	-	-	115,637
Site improvement	542	-	-	-	542
Building improvements	-	-	6,524,691	-	6,524,691
Debt service	-	-	-	1,247,355	1,247,355
Total expenditures	19,290,964	4,248,194	6,524,691	1,635,597	31,699,446

Continued

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS, continued
FOR THE YEAR ENDED JUNE 30, 2021

	General	Special Revenue	Construction	Nonmajor Governmental	Total
Excess (deficit) of revenues over (under) expenditures	386,957	(43,103)	(6,467,134)	244,424	(5,878,856)
Other financing sources (uses)					
Proceeds from disposal of fixed assets	49,932	-	-	-	49,932
Transfers in	61,913	37,966	407,900	881,262	1,389,041
Transfers (out)	(445,866)	-	(61,913)	(881,262)	(1,389,041)
Total other financing sources (uses)	(334,021)	37,966	345,987	-	49,932
Net change in fund balances	52,936	(5,137)	(6,121,147)	244,424	(5,828,924)
Fund balances, beginning of year	7,289,363	40,397	8,695,574	295,827	16,321,161
Fund balances, end of year	$ 7,342,299	$ 35,260	$ 2,574,427	$ 540,251	$ 10,492,237

See accompanying notes to financial statements

TRIGG COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in total fund balances per fund financial statements	$ (5,828,924)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	
Capital outlay	7,190,395
Depreciation expense	(1,004,997)
In the statement of activities, only the gain (loss) on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the remaining book value of the asset sold.	(284,156)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of bond principal is an expenditure in the governmental funds financial statements but is a reduction of the liability in the statement of net position.	
Bond payments	840,000
Some items reported in the statement of activities do not involve current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities are:	
Deferred other postemployment benefits	120,412
Deferred pension	(536,117)
Amortization of bond discount	(10,822)
Amortization of bond premium	1,259
Change in accrued interest payable	2,869
Change in compensated absences	30,599
Change in net position of governmental activities	$ 520,518

See accompanying notes to financial statements

PROPRIETARY FUNDS FINANCIAL STATEMENTS

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	School Food Service	Day Care	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 397,308	$ 22,060	$ 419,368
Accounts receivable	28,951	-	28,951
Inventory	19,231	-	19,231
Total current assets	445,490	22,060	467,550
Noncurrent assets			
Capital assets	1,752,034	-	1,752,034
Less: accumulated depreciation	(932,709)	-	(932,709)
Total noncurrent assets	819,325	-	819,325
Total assets	1,264,815	22,060	1,286,875
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	132,729	43,163	175,892
Pension related	230,310	62,735	293,045
Total deferred outflows or resources	363,039	105,898	468,937
LIABILITIES			
Current liabilities			
Accounts payable	-	-	-
Total current liabilities	-	-	-
Long-term liabilities			
Compensated absences	18,406	-	18,406
Net OPEB liability	321,735	102,182	423,917
Net pension liability	979,765	272,922	1,252,687
Total long-term liabilities	1,319,906	375,104	1,695,010
Total liabilities	1,319,906	375,104	1,695,010
DEFERRED INFLOWS OF RESOURCES			
OPEB related	57,152	21,248	78,400
Pension related	53,348	14,626	67,974
Total defered inflows of resources	110,500	35,874	146,374
NET POSITION			
Net investment in capital assets	819,325	-	819,325
Unrestricted	(621,877)	(283,020)	(904,897)
Total net position	$ 197,448	$ (283,020)	$ (85,572)

See accompanying notes to financial statements

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	School Food Service	Day Care	Total
OPERATING REVENUES			
Lunchroom sales	$ 13,231	$ -	$ 13,231
Child care fees	-	152,486	152,486
Other revenue	-	2,854	2,854
Total operating revenues	13,231	155,340	168,571
OPERATING EXPENSES			
Salaries and wages	618,407	225,813	844,220
Materials and supplies	468,049	-	468,049
Depreciation	34,421	-	34,421
Contract services	26,473	-	26,473
Other operating expenses	1,268	-	1,268
Total operating expenses	1,148,618	225,813	1,374,431
Operating income (loss)	(1,135,387)	(70,473)	(1,205,860)
NONOPERATING REVENUES (EXPENSES)			
Federal grants	1,059,435	-	1,059,435
Donated commodities	49,036	-	49,036
State grants	11,074	2,052	13,126
State on-behalf payments	100,791	40,632	141,423
Interest income	1,008	-	1,008
Total nonoperating revenues (expenses)	1,221,344	42,684	1,264,028
Change in net position	85,957	(27,789)	58,168
Net position, beginning of year	111,491	(255,231)	(143,740)
Net position, end of year	$ 197,448	$ (283,020)	$ (85,572)

See accompanying notes to financial statements

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	School Fund Service	Day Care	Total
Cash flows from operating activities			
Cash received from			
Lunchroom sales	$ (15,720)	$ -	$ (15,720)
Child care fees	-	152,486	152,486
Other activities	-	2,854	2,854
Cash paid to/for			
Employees	(432,201)	(162,497)	(594,698)
Supplies	(428,145)	-	(428,145)
Other activities	(27,741)	-	(27,741)
Net cash provided (used) by operating activities	(903,807)	(7,157)	(910,964)
Cash flows from noncapital financing activities			
Government grants	1,070,510	2,052	1,072,562
Net cash provided (used) by noncapital financing activities	1,070,510	2,052	1,072,562
Cash flows from investing activities			
Receipt of interest income	1,008	-	1,008
Net cash provided (used) by investing activities	1,008	-	1,008
Net increase (decrease) in cash and cash equivalents	167,711	(5,105)	162,606
Cash and cash equivalents, beginning of year	229,597	27,165	256,762
Cash and cash equivalents, end of year	$ 397,308	$ 22,060	$ 419,368

Continued

TRIGG COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS, continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	School Food Service	Day Care	Total
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ (1,135,387)	$ (70,473)	$ (1,205,860)
Adjustments to reconcile net operating revenues to net cash from operating activities			
Depreciation	34,421	-	34,421
Donated commodities	49,036	-	49,036
State on-behalf payments	100,791	40,632	141,423
Change in assets and liabilities			
Accounts receivable	(28,951)	-	(28,951)
Inventory	4,718	-	4,718
Accounts payable	(13,849)	-	(13,849)
OPEB	67,970	4,269	72,239
Pension	3,711	18,415	22,126
Compensated absences	13,733	-	13,733
Net cash provided (used) by operating activities	$ (903,807)	$ (7,157)	$ (910,964)
Schedule of non-cash transactions			
Donated commodities received from federal government	$ 49,036	$ -	$ 49,036

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

TRIGG COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, agencies, boards, commissions and authorities for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and 1) the ability of the District to impose its will on that organization or 2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. In addition, the GASB Statement No. 39, as amended by GASB Statement No. 61 sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, there are no other organizations which should be included in these basic financial statements.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements. On March 12, 1992, Trigg County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) was formed as an agency of the District for financing the costs of school building facilities. The Board Members of the Trigg County Board of Education also comprise the Corporation's Board of Directors.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of net position that does not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

The *General Fund* is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the fund consists primarily of local property taxes and state governmental aid. This is a major fund of the District.

The *Special Revenue Funds* account for proceeds of specific revenue sources (other than agency funds or major capital projects) that are legally restricted to disbursements for specified purposes.

> The *Special Revenue (Grant) Fund* includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods, as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.
>
> The *Special Revenue District Activity Fund* includes funds restricted to expenditures for purposes specified by Kentucky Department of Education requirements. Project accounting is employed to maintain integrity for the various sources of funds.
>
> The *Special Revenue Student Activity Fund* accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular to extracurricular activities of the District.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

The *Construction Fund* accounts for proceeds from sales of bonds and other revenue to be used for authorized construction. This is a major fund of the District.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of local property taxes.

Proprietary Fund Types

Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The District has the following enterprise funds:

The *School Food Service Fund* is used to account for the food service operations of the District.

The *Day Care Fund* accounts for the day care operations of the District.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. The District also reports a fiduciary fund which focuses on net position and changes in net position. The fiduciary fund reports on the accrual basis of accounting.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues – Exchange and Nonexchange Transactions

Property taxes, other taxes, grants, entitlements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's proprietary funds are charges for food sales or tuition and fees. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure restricted fund balance and then to less restrictive classifications – committed, assigned and then unassigned fund balances.

The Significant Accounting Policies Followed by the District Include the Following:

Cash and Cash Equivalents

The District considers demand deposits, money market funds and time deposits that are nonnegotiable to be cash and cash equivalents for governmental and proprietary funds. This definition is also used for the proprietary funds' statements of cash flows.

The District considers demand deposits, money market funds and time deposits that are nonnegotiable, to be cash and cash equivalents, for governmental and proprietary funds. This definition is also used for the proprietary fund's statements of cash flows.

Property Taxes Receivable

Property taxes in the governmental funds are accounted for using the modified accrual basis of accounting.

Property taxes collected are recorded as revenues in the fund for which they were levied. Property taxes are levied on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes become delinquent after December 31.

The property tax rates for the year ended June 30, 2021, to finance the General Fund operations were $.551 per $100 valuation for real property, $.551 per $100 valuation for business tangible personal property and $.460 per $100 valuation for motor vehicles.

The District levies a utility gross receipts license tax in the amount of 3.00% of the gross receipts derived from furnishings, within the District, of telephonic and telegraphic communications services, cablevision services, electric power, water and natural, artificial and mixed gas.

Inventories

Inventories are valued at cost, which approximates market. The Food Service Fund uses the specific identification method, and the General Fund uses the first-in, first-out method. The District's inventories include various items consisting of school supplies, paper, books, maintenance items, transportation items, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Prepaid Expenditures

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

Restricted Assets

Certain assets of the General Fund are classified as restricted assets because their use is restricted by KRS 157.420(3).

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $5,000 with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not. Improvements are depreciated over the remaining useful lives of the related capital assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

Description	Estimated Lives for Depreciation
Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-10 years
Audio-visual equipment	15 years
Food service equipment	10-12 years
Furniture and fixtures	20 years
Rolling stock	15 years
Other	10 years

Unearned Revenue

Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of school registration fees and meal revenues collected for the programs and services in the next school year.

Debt Premiums and Discounts

Unamortized premiums and discounts associated with bond issues are amortized over the lives of the related bonds using the straight-line method and are an addition (premium) or deduction (discount) to the debt balances in the government-wide statements.

Compensated Absences

Compensated absences are payments to employees for accumulated sick leave. These amounts also include the related employer's share of applicable taxes and retirement contributions. District employees may accumulate unused sick leave up to a specified amount depending on their date of hire. Sick leave is payable to employees upon termination or retirement at 30.00% of the current rate of pay on the date of termination or retirement. The District uses the termination method to calculate the compensated absences amounts. The entire compensated absence liability is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following year. An expenditure is recognized in the governmental fund as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position.

Pensions and Other Postemployment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate financial statement element, *deferred outflows of resources*, which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category: the deferred outflows of resources related to the net pension liability described in Note 10 and the net OPEB liability described in Note 11.

In addition to liabilities, the statement of net position will sometimes report a separate financial statement element, *deferred inflows of resources*, which represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category: the deferred inflows of resources related to the net pension liability as described in Note 10 and the net OPEB liability described in Note 11.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable – Amounts which cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Education intend to use for specific purposes. The authority to assign fund balances has been designated by the District's Board of Education to the Finance Officer.

Unassigned – All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned funds and then unassigned.

Net Position

In proprietary funds, fiduciary funds and government-wide financial statements, net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Interfund Activity

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of certain financial statement balances. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through November 10, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

The District maintained deposits of public funds with depository institutions insured by FDIC as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institutions should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times.

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned to it. As stipulated by KRS 41.240(4), all deposits are collateralized with eligible securities or other obligations having aggregate current face value or current quoted market value at least equal to the deposits. The District does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4).

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

At June 30, 2021, the carrying amount of the District's deposits was 10,025,021 and the bank balance was $12,146,685. Of the District's bank balances, $11,730,554 was collateralized as discussed above because it was uninsured, while $416,131 was covered by Federal Deposit Insurance.

The carrying amounts are reflected in the financial statements as follows:

Government funds	$ 9,605,653
Proprietary funds	419,368
	$ 10,025,021

NOTE 3 – CAPITAL ASSETS

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

Governmental Activities	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Capital assets not depreciated				
Land	$ 300,850	$ -	$ -	$ 300,850
Construction in progress	8,029,884	6,154,618	-	14,184,502
Total non-depreciable historical cost	8,330,734	6,154,618	-	14,485,352
Capital assets being depreciated				
Building and improvements	28,223,380	616,550	588,476	28,251,454
Land improvements	409,897	116,000	-	525,897
Technology equipment	2,359,398	-	1,607,105	752,293
Vehicles	3,571,585	258,302	14,566	3,815,321
General equipment	1,154,076	44,925	34,257	1,164,744
Total depreciable historical cost	35,718,336	1,035,777	2,244,404	34,509,709
Less: accumulated depreciation				
Building and improvements	15,091,138	715,097	313,026	15,493,209
Land improvements	66,429	12,376	-	78,805
Technology equipment	2,279,415	40,128	1,598,409	721,134
Vehicles	2,460,055	203,961	14,569	2,649,447
General equipment	968,541	33,435	34,244	967,732
Total accumulated depreciation	20,865,578	1,004,997	1,960,248	19,910,327
Total depreciable cost - net	14,852,758	30,780	284,156	14,599,382
Governmental activities capital assets - net	$ 23,183,492	$ 6,185,398	$ 284,156	$ 29,084,734

The balance of construction in progress is not shown on the Annual Financial Report of the District.

Construction commitment at June 30, 2021 was as follows:

Project	
Primary and intermediate schools renovation	$ 14,184,502
	$ 14,184,502

NOTE 3 – CAPITAL ASSETS, continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
Instruction	$ 727,650
Support services	
Student	2,111
Instructional staff	528
District administration	21,287
School administration	10
Business	2,070
Plant operations and maintenance	75,424
Student transportation	172,775
Community service activities	3,142
	$ 1,004,997

Business-type Activities	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Capital assets depreciated				
Buildings and improvements	$ 1,440,338	$ -	$ -	$ 1,440,338
Technology equipment	16,901	-	10,523	6,378
General equipment	310,818	-	5,500	305,318
Total depreciable historical cost	1,768,057	-	16,023	1,752,034
Less: accumulated depreciation				
Buildings and improvements	619,346	28,806	-	648,152
Technology equipment	16,901	5,615	10,517	11,999
General equipment	278,058	-	5,500	272,558
Total accumulated depreciation	914,305	34,421	16,017	932,709
Business-type activities capital assets - net	$ 853,752	$ (34,421)	$ 6	$ 819,325

NOTE 4 – LONG-TERM DEBT OBLIGATIONS

The various issues of school building revenue bonds are as follows:

Issue Date	Original Proceeds	Maturity Dates	Interest Rates
2006	$ 855,000	2026	3.75% - 4.15%
2012	2,470,000	2024	1.00% - 2.50%
2013	1,830,000	2034	2.00% - 4.00%
2019	13,315,000	2040	2.25% - 2.75%

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

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

The bonds may be called prior to maturity, and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2021 for debt service (principal and interest) are as follows:

	Trigg County School District		School Facilities Construction Commission		
	Principal	Interest	Principal	Interest	Total
2022	$ 544,294	$ 265,645	$ 310,706	$ 122,106	$ 1,242,751
2023	561,146	253,441	318,854	113,958	1,247,399
2024	489,733	236,719	310,267	105,348	1,142,067
2025	495,632	225,633	269,368	96,584	1,087,217
2026	504,502	214,382	275,498	88,505	1,082,887
2027-2031	2,713,841	893,949	1,181,159	334,154	5,123,103
2032-2036	3,042,511	557,845	1,077,489	152,109	4,829,954
2037-2041	2,716,386	149,707	638,614	33,908	3,538,615
	$ 11,068,045	$ 2,797,321	$ 4,381,955	$ 1,046,672	$ 19,293,993

NOTE 4 – LONG-TERM OBLIGATIONS, continued

A summary of changes in long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental activities					
Bonds payable					
General obligation debt	$ 16,290,000	$ -	$ 840,000	$ 15,450,000	$ 855,000
Premium (discounts)	(183,845)	-	(9,563)	(174,282)	(9,563)
Total bonds payable	16,106,155	-	830,437	15,275,718	845,437
Other liabilities					
Compensated absences	300,521	-	30,599	269,922	-
Net OPEB liability	5,928,529	267,263	-	6,195,792	-
Net pension liability	6,163,797	751,134	-	6,914,931	-
Total other liabilities	12,392,847	1,018,397	30,599	13,380,645	-
Total long-term liabilities	$ 28,499,002	$ 1,018,397	$ 861,036	$ 28,656,363	$ 845,437
Business-type activities					
Other liabilities					
Compensated absences	$ 4,673	$ 13,733	$ -	$ 18,406	$ -
Net OPEB liability	321,005	102,912	-	423,917	-
Net pension liability	1,145,365	107,322	-	1,252,687	-
Total other liabilties	$ 1,471,043	$ 223,967	$ -	$ 1,695,010	$ -

NOTE 5 – COMPENSATED ABSENCES

Upon retirement from the school system, employees will receive from the District an amount equal to 30.00% of the value of accumulated sick leave. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be funded with current year's economic financial resources. These amounts are recorded in the account "accrued sick leave payable" in the General Fund. Management has estimated the amount for governmental activities will be approximately $269,922, with $0 considered the short-term portion. Management has estimated the amount for business-type activities will be approximately $18,406, with $0 considered the short-term portion.

NOTE 6 – FUND BALANCE REPORTING

	General	Special Revenue	Construction	Nonmajor Governmental	Total
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted					
Compensated absences	279,000	-	-	-	279,000
Debt service	-	-	-	(39,276)	(39,276)
SFCC escrow	-	-	-	158,823	158,823
Construction	-	-	2,574,427	-	2,574,427
Capital outlay	-	-	-	185,115	185,115
District activity	-	-	-	53,950	53,950
Student activity	-	-	-	181,639	181,639
Technology	-	35,260	-	-	35,260
Committed					
Site improvement	1,250,000	-	-	-	1,250,000
Architect and engineering services	500,000	-	-	-	500,000
Buildings	250,000	-	-	-	250,000
Assigned					
Site based carry forward	132,000	-	-	-	132,000
Computer and related equipment	350,000	-	-	-	350,000
Site improvement - land & improvements	200,000	-	-	-	200,000
Land improvement - construction	200,000	-	-	-	200,000
Land improvement - furniture and fixtures	75,000	-	-	-	75,000
Unassigned	4,106,299	-	-	-	4,106,299
	$ 7,342,299	$ 35,260	$ 2,574,427	$ 540,251	$ 10,492,237

NOTE 7 – TRANSFER OF FUNDS

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
Construction	General Fund	Left over funds	$ 61,913
General Fund	Special Revenue	KETS	37,966
School Activity	District Activity	Activity funds transfer	66,719
General Fund	Construction	Bus garage fuel pumps and tanks	407,900
Building Fund	Debt Service	Debt service payments	814,543
			$ 1,389,041

NOTE 8 – NET POSITION DEFICIT BALANCE

The Day Care Fund had a deficit balance of ($283,020). Excluding the effect on net position of GASB 68 related pension accounts and of GASB 75 related OPEB accounts of ($305,080), Day Care has a net position of $22,060. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The District has one fund with a deficit net position, Debt Service Fund ($39,276). Also, the following funds had excess current year expenditures over current year appropriated revenues:

Special Revenue	$ (5,137)
Construction	(6,121,147)
Day Care	(27,789)

NOTE 9 – ON-BEHALF PAYMENTS

The Kentucky State Department of Education has indicated the following amounts were contributed on behalf of the District for the year ended June 30, 2021:

Health insurance	$	2,326,169
Life insurance		3,566
Administrative fee		28,869
Health reimbursement account - HRA/dental/vision		101,588
		2,460,192
Federal reimbursements of health benefits		(129,874)
		2,330,318
KTRS pension fund		3,050,577
KTRS insurance fund		231,666
Technology		98,035
SFCC debt service		432,812
	$	6,143,408

The District is not legally responsible for these contributions. These payments are not required to be budgeted by the District. The total of these payments has been included in revenues and the applicable expenditure functions in these financial statements as follows:

Governmental activities		
General Fund	$	5,569,173
Debt Service Fund		432,812
Business-type activities		
Food Service Fund		100,791
Day Care Fund		40,632
	$	6,143,408

NOTE 10 – PENSION PLANS

The District participates in the County Employees Retirement System (CERS), a blended component unit of the Commonwealth of Kentucky, and the Teachers' Retirement System of the State of Kentucky (KTRS), a blended unit of the Commonwealth of Kentucky. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by KTRS and CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 10 – PENSION PLANS, continued

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

Plan description – The District contributes to the Non-Hazardous CERS plan, a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time members of each participating county, city and school board and any additional eligible local agencies electing to participate in the plan. Effective April 1, 2021, administration of CERS was transferred from the Kentucky Public Pensions Authority's Board of Trustees to the CERS board of trustees established by House Bill 484, which created a new section of Kentucky Revised Statute 61.510 to 61.705.

The administrative entity comprising the office of counselors and professional staff that has traditionally been known as Kentucky Retirement Systems has changed its name to the Kentucky Public Pensions Authority (KPPA). The entity issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained on the KPPA website at www.kyret.ky.gov or by writing to Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601-6124.

Benefits provided – CERS provides retirement, death and disability benefits to Plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost of living (COLA) adjustments are provided at the discretion of the State legislature. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years' service or 65 years old
	Reduced retirement	At least 5 years' service and 55 years old At least 25 years' service and any age
	Required contributions	5.00%
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
	Required contributions	5.00% + 1.00% for insurance
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
	Required contributions	5.00% + 1.00% for insurance

NOTE 10 – PENSION PLANS, continued

Contributions – Contribution rates are established by the Kentucky Revised Statutes. For the fiscal year ended June 30, 2021, participating employers contributed 19.30% of each employee's creditable compensation. The actuarially determined contribution requirements of plan members and the Board were established and could be amended by the Kentucky Systems Board of Trustees.

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

At June 30, 2021, the District reported a liability of $8,167,618 for its proportionate share of the net pension liability. The net pension liability of the 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 District's proportion of the net pension liability was based on the employees and former employees relative to the total liability of the District as determined by the actuary. At June 30, 2021, the District's proportion was 0.106489%.

For the year ended June 30, 2021, the District recognized pension expense of $1,150,892. At June 30, 2021, the District 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
Differences between expected and actual experience	$ 203,675	$ -
Change of assumptions	318,932	-
Net differences between projected and actual earnings on pension plan investments	354,039	149,654
Changes in proportion and difference between District contributions and proportionate share of contributions	123,532	153,456
District contributions subsequent to the measurement date	544,988	-
Total	$ 1,545,166	$ 303,110

The amount of $544,988 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

NOTE 10 – PENSION PLANS, continued

Years Ending June 30		
2021	$	273,604
2022		234,414
2023		106,963
2024		82,087
2025		-
Thereafter		-
Total	$	697,068

Actuarial assumptions – The total pension liability, net pension liability and sensitivity information for the actuarial valuation as of June 30, 2020 were based on an actuarial valuation date of June 30, 2019. The total pension liability was rolled forward from the valuation date (June 30, 2019) to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. An actuarial experience study was conducted for the five-year period July 1, 2013 to June 30, 2018, and the Board adopted updated assumptions for first use in the June 30, 2019 actuarial valuation.

Inflation	2.30%
Projected salary increases	3.30% - 11.55%, varies by service
Investment rate of return	6.25%, net of investment expense and inflation
Payroll growth rate	2.00%

House Bill 271 passed during the 2020 legislative session which removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to an in line of duty or duty-related injury upon remarriage of the surviving spouse. It also increased benefits for a very small number of surviving spouses and dependent children who did not initially elect the in line of duty or duty-related benefit. There were no other material benefit provision changes since the prior valuation.

The mortality table used for active members is the PUB-2010 General Mortality Table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members, the mortality table used is 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. For disabled members, the mortality table used is the 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.

NOTE 10 – PENSION PLANS, continued

Long-term rate of return – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target asset allocation and best estimates of arithmetic 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%	5.26%
Core bonds	13.50%	-0.25%
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%
Cash	1.00%	-0.75%
Total	100.00%	

Discount rate – The discount rate used to measure the total pension liability for the measurement period with year ended June 30, 2020 was 6.25%. The projection of cash flows used to determine the single discount rate must include an assumption regarding actual employer contributions made each future year. The future contributions are projected assuming that each participating employer contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy, as most recently revised by Senate Bill 249, passed during the 2020 Legislative Session. This includes the phase-in provisions from House Bill 362 (passed in 2020) which kept CERS contributions level for fiscal year ended 2021.

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

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
District's proportionate share of net pension liability	$ 10,072,450	$ 8,167,618	$ 6,590,345

NOTE 10 – PENSION PLANS, continued

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.

Payable to the pension plan – At June 30, 2021, the District reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

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

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

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

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

Participants who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two 2.00% (service prior to July 1, 1983) and 2.50% (service after July 1, 1983) of their final average salaries for each year of credited service. New members (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2.00% of their final average salary for each year of service if, upon retirement, their total service was less than ten years. New members after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.50% of their final average salary for each year of service, including the first ten years. In addition, members who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.50% to 3.00% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

NOTE 10 – PENSION PLANS, continued

Final average salary is defined as the member's five (5) highest salaries for those with less than 27 years of service. Members at least age 55 with 27 or more years of service may use their three (3) highest annual salaries to compute the final average salary. KTRS also provides disability benefits for vested members at the rate of sixty (60) percent of the final average salary. A life insurance benefit, payable upon the death of a member, is $2,000 for active contributing members and $5,000 for retired or disabled members.

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

Contributions – Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university members are required to contribute 12.855% of their salaries to the System effective July 1, 2015.

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

At June 30, 2021, the District did not report a liability for its proportionate share of the net pension liability, because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District:

Commonwealth's proportionate share of the KTRS net pension liability associated with the District	$ 42,145,551
	$ 42,145,551

The total pension liability was rolled forward from the actuarial valuation date of June 30, 2019 to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. The District's proportion of the net pension liability was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary.

For the year ended June 30, 2021, the District recognized pension expense of $4,676,414 and revenue of $4,676,414 for support provided by the State in the government-wide financial statements.

NOTE 10 – PENSION PLANS, continued

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

Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Projected salary increases	3.50% - 7.30%, including inflation
Inflation rate	3.00%
Municipal bond index rate	2.19%
Single equivalent interest rate	7.50%

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025 set forward one year for females and two years for males. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015 adopted by the TRS Board on November 19, 2016.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equity	40.00%	4.60%
International equity	22.00%	5.60%
Fixed income	15.00%	0.00%
Additional categories	7.00%	2.50%
Real estate	7.00%	4.30%
Private equity	7.00%	7.70%
Cash	2.00%	-0.05%
Total	100.00%	

NOTE 10 – PENSION PLANS, continued

Discount rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at the actuarially determined contribution rates for all fiscal years in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, allows entities with little or no administrative involvement that do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District, therefore, does not show these assets and liabilities on these financial statements.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the County Employees Retirement System Non-Hazardous (CERS) OPEB Plan

Plan description – County Employees Retirement System consists of two plans, Non-Hazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit Other Postemployment Benefits (OPEB) plan administered by the Kentucky Public Pensions Authority (KPPA) under the provision of Kentucky Revised Statute 61.645. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city and any additional eligible local agencies electing to participate. The District participates in the Non-Hazardous plan. Effective April 1, 2021, administration of the Insurance Fund was transferred from the Kentucky Public Pensions Authority's Board of Trustees to the CERS board of trustees established by House Bill 484.

The administrative entity comprising the office of counselors and professional staff that has traditionally been known as Kentucky Retirement Systems has changed its name to the Kentucky Public Pensions Authority (KPPA). The entity issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained on the KPPA website at www.kyret.ky.gov or by writing to Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601-6124.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Benefits provided – The KPPA's Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KPPA submits the premium payments to DEI. The District contracts with Humana to provide healthcare benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

Contributions – Employers participating in the CERS Insurance Fund contribute a percentage of each employee's creditable compensation. The actuarially determined rates set by the KPPA board is a percentage of each employee's creditable compensation. For the year ended June 30, 2021, required contributions were 5.26% of each employee's covered payroll. Contributions from the District to the CERS Insurance Fund for the year ended June 30, 2021 were $134,412. The KPPA board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KPPA board. Employees qualifying as Tier 2 and Tier 3 of the CERS plan members contribute 1.00% of creditable compensation to an account created for the payment of health insurance benefits.

Implicit subsidy – The fully-insured premiums KPPA pays for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing healthcare benefits to retirees under age 65 is higher than the average cost of providing healthcare benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. This implicit subsidy is included in the calculation of the total OPEB liability.

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

At June 30, 2021, the District reported a liability of $2,570,709 for its proportionate share of the net OPEB liability. The net OPEB liability 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 June 30, 2019. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year end, June 30, 2020, using generally accepted actuarial principles. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion for was 0.106461%.

For the year ended June 30, 2021, the District recognized OPEB expense of $328,281.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 429,512	$ 429,847
Changes of assumptions	447,151	2,719
Net difference between projected and actual earnings on OPEB plan investments	137,900	52,455
Changes in proportion and difference between District contributions and porportionate share of contributions	29,961	108,632
District contributions subsequent to the measurement date	134,412	-
Total	$ 1,178,936	$ 593,653

For the year ended June 30, 2021, $134,412 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	
2021	$ 121,036
2022	146,322
2023	97,929
2024	97,054
2025	(11,470)
Thereafter	-
Total	$ 450,871

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Actuarial assumptions – The total OPEB liability, net OPEB liability and sensitivity information for the actuarial valuation as of June 30, 2020 were based on an actuarial valuation date of June 30, 2019. The total OPEB liability was rolled forward from the valuation date (June 30, 2019) to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. An actuarial experience study was conducted for the five-year period July 1, 2013 to June 30, 2018 and the Board adopted updated assumptions for first use in the June 30, 2019 actuarial valuation. The assumed increase in future healthcare costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The assumed impact of the Cadillac Tax (previously a 0.90% load on employer paid non-Medicare premiums for those who became participants prior to July 1, 2003) was removed to reflect its repeal since the prior valuation.

Payroll growth rate	2.00%
Inflation	2.30%
Salary increase	3.30% - 11.55%, varies by service
Investment rate of return	6.25%
Healthcare cost trend rates (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
Healthcare cost trend rates (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

The mortality table used for active members is the PUB-2010 General Mortality Table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members, the mortality table used is 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. For disabled members, the mortality table used is the 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.

Long-term expected rate of return – The long-term expected return on plan assets was determined by using a building-block method in which best-estimated ranges of expected future real 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.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

The target allocation and best estimates of arithmetic 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%	5.26%
Core bonds	13.50%	-0.25%
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%
Cash	1.00%	-0.75%
Total	100.00%	

Discount rate – The discount rates used to measure the total OPEB liability for the year ended June 30, 2021, were 5.34% for non-hazardous and 5.68% for hazardous. The future contributions are projected in accordance with the current funding policy, as most recently revised by Senate Bill 249 (passed in 2020). The cost associated with the implicit employer subsidy was not included in the calculation of the Kentucky Public Pensions Authority's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the Kentucky Public Pensions Authority's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. There was a change in the Municipal Bond Index Rate from the prior measurement date, so as required under GASB 75, the single discount rate at the measurement date of 5.34% for non-hazardous was calculated using the Municipal Bond Index Rate as of the measurement date of 2.45%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2020. This change in the discount rate is considered a change in actuarial assumptions or other inputs under GASB 75.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.68% for non-hazardous and 4.69% for hazardous) or 1-percentage-point higher (6.68% for non-hazardous and 6.69% for hazardous) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	4.34%	5.34%	6.34%
District's proportionate share of net OPEB liability	$ 3,302,607	$ 2,570,709	$ 1,969,578

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	$ 1,990,372	$ 2,570,709	$ 3,274,963

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Public Pensions Authority's Comprehensive Annual Financial Report on the KPPA website at www.kyret.ky.gov.

Payable to the OPEB plan – At June 30, 2021, the District reported a payable of $0 for the outstanding amount of contributions to the CERS OPEB plan required for the year ended June 30, 2021.

General Information about the Teachers' Retirement System of Kentucky (KTRS) OPEB Plan

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

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

Medical Insurance Plan

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

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

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

At June 30, 2021, the District reported a liability of $4,049,000 for its proportionate share of the net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.160421%.

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

District's proportionate share of net OPEB liability	$ 4,049,000
State's proportionate share of net OPEB liability associated with the District	3,243,000
Total	$ 7,292,000

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

For the year ended June 30, 2021, the District recognized OPEB expense of $33,000 and revenue of $38,000 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 1,726,000
Changes of assumptions	245,000	-
Net difference between projected and actual earnings on OPEB plan investments	132,000	-
Changes in proportion and difference between District contributions and proportionate share of contributions	292,000	58,000
District contributions subsequent to the measurement date	272,255	-
Total	$ 941,255	$ 1,784,000

Of the total amount reported as deferred outflows of resources related to OPEB, $272,255 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Years Ending June 30	
2021	$ (232,000)
2022	(222,000)
2023	(224,000)
2024	(201,000)
2025	(176,000)
Thereafter	(60,000)
Total	$ (1,115,000)

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

Investment rate of return	8.00%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.50 - 7.20%, including inflation
Inflation rate	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Healthcare cost trend rates	
Under 65	7.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2029
Ages 65 and older	5.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2022
Medicare Part B premiums	1.02% for FY 2018 with an ultimate rate of 5.00% by 2031
Municipal bond index rate	2.19%
Discount rate	8.00%
Single equivalent interest rate	8.00%, net of OPEB plan investment expense, including inflation

Mortality rates based on the RP-2000 Combined Mortality Table, projected to 2025 with projection scale BB and set forward two years for males and one year for females, is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table, set forward two years for males and seven years for females, is used for the period after disability retirement. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience studies for TRS, which covered the five-year period ended June 30, 2015. The remaining actuarial assumptions used in the June 30, 2019 valuation of the Medical Insurance Fund (MIF) were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation. The healthcare cost trend assumption was updated for the June 30, 2019 valuation and was shown as an assumption change in the Total OPEB Liability (TOL) roll forward while the change in initial per capita claims costs were included with experience in the TOL roll forward.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
US equity	58.00%	5.40%
Fixed income	9.00%	0.00%
Real estate	6.50%	4.30%
Private equity	8.50%	7.70%
Other additional categories	17.00%	2.50%
Cash (LIBOR)	1.00%	-0.50%
Total	100.00%	

Discount rate – The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2019. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be depleted.

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the 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*:*

	1% Decrease	Current Discount Rate	1% Increase
	7.00%	8.00%	9.00%
District's proportionate share of net OPEB liability	$ 4,893,000	$ 4,049,000	$ 3,343,000

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	$ 3,209,000	$ 4,049,000	$ 5,083,000

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

Life Insurance Plan

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

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

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

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

At June 30, 2021, the Kentucky School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	$	-
State's proportionate share of the net OPEB liability associated with the District		98,000
Total	$	98,000

For the year ended June 30, 2021, the District recognized OPEB expense of $0 and revenue of $0 for support provided by the State in the government-wide financial statements.

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:

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Investment rate of return	7.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.50 - 7.20%, including inflation
Inflation rate	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Municipal bond index rate	2.19%
Discount rate	7.50%
Single equivalent interest rate	7.50%, net of OPEB plan investment expense, including inflation

Mortality rates based on the RP-2000 Combined Mortality Table, projected to 2025 with projection scale BB and set forward two years for males and one year for females, is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table, set forward two years for males and seven years for females, is used for the period after disability retirement. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ended June 30, 2015.

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
US equity	40.00%	4.60%
International equity	23.00%	5.60%
Fixed income	18.00%	0.00%
Real estate	6.00%	4.40%
Private equity	5.00%	7.70%
Other additional categories	6.00%	2.50%
Cash (LIBOR)	2.00%	-0.50%
Total	100.00%	

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Discount rate – The discount rate used to measure the total OPEB liability for life insurance was 7.50%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2019. Other assumptions are listed in the TRS CAFR and in the RSI. Based on those assumptions, the LIF's fiduciary net position was not projected to be depleted.

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

NOTE 12 – CONTINGENCIES AND COMMITMENTS

Grant Programs

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

COVID-19

The COVID-19 outbreak is disrupting business across a range of industries in the United States, and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the District, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact on the District's operations and finances.

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss of assets associated with the risks related to torts; theft of, damage to and destruction of assets; fire, personal liability, vehicular accidents; errors and omissions; injuries to employees; fiduciary responsibility; and natural disaster. Each of these risk areas are covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated which include workers' compensation insurance.

The District purchases unemployment insurance through the Kentucky School Boards' Insurance Trust Unemployment Compensation Fund; however, the risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks to loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial statements.

NOTE 14 – COBRA

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

The District has notified all terminated employees of available continuing insurance coverage as mandated by COBRA.

NOTE 15 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2021 were as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 788,499	$ -
Special Revenue Fund	-	749,223
Debt Service Fund	-	39,276
Total	$ 788,499	$ 788,499

NOTE 16 – RECENT ACCOUNTING PRONOUNCEMENTS

The District adopted the following statements during the year ended June 30, 2021:

GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statement No. 14 and No. 61*, issued August 2018, will be effective for the District beginning with its fiscal year ending June 30, 2021. The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies the reporting of a majority equity interest. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired the 100 percent equity interest in the component unit.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidanc*e, issued May 2020, the provisions of this Statement were effective immediately upon issuance. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: GASB Statements Nos. 83, 84, 88, 89, 90, 91, 92 and 93, and Implementation Guide Nos. 2018-1, 2019-1 and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: GASB Statement No. 87 and Implementation Guide No. 2019-3.

Adoption of the above Statements did not have a significant impact on the District's financial position or results of operations.

As of June 30, 2021, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District in the future are as follows:

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 16 – RECENT ACCOUNTING PRONOUNCEMENTS, continued

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its fiscal year ending June 30, 2022. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5–22 of GASB Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 92, *Omnibus 2020, issued January 2020,* will be effective for the District beginning with its fiscal year ending June 30, 2022, *except for the requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2020-3*, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of GASB Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements, issued May 2020*, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end-users (governments). This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription assets—an intangible asset and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and 4) requires note disclosures regarding a SBITA.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32, issued June 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
From local sources				
Taxes				
Property	$ 4,480,000	$ 4,480,000	$ 4,533,085	$ 53,085
Motor vehicle	590,000	590,000	639,816	49,816
Utilities	850,000	850,000	848,433	(1,567)
Other	350,000	350,000	1,675,823	1,325,823
Student activities	-	-	12,813	12,813
Earnings on investments	50,000	50,000	84,624	34,624
Other local revenues	30,100	30,100	199,420	169,320
Intergovernmental - state	6,379,634	6,379,634	6,075,131	(304,503)
Intergovernmental - federal	15,000	15,000	39,603	24,603
Total revenues	12,744,734	12,744,734	14,108,748	1,364,014
EXPENDITURES				
Current				
Instruction	8,331,230	8,422,845	7,568,931	853,914
Support services				
Student	810,608	810,608	794,097	16,511
Instructional staff	587,737	587,737	433,458	154,279
District administration	959,762	959,762	485,461	474,301
School administration	933,371	933,371	922,639	10,732
Business	631,030	631,030	666,980	(35,950)
Plant operations and maintenance	1,828,798	1,828,798	1,490,207	338,591
Student transportation	1,401,475	1,401,475	1,226,655	174,820
Food service operations	-	-	17,184	(17,184)
Community service activities	-	-	-	-
Land improvements/acquisition	-	-	115,637	(115,637)
Site improvement	2,600	2,600	542	2,058
Contingency	1,030,000	938,385	-	938,385
Total expenditures	16,516,611	16,516,611	13,721,791	2,794,820
Excess (deficit) of revenues over (under) expenditures	(3,771,877)	(3,771,877)	386,957	4,158,834
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of fixed assets	200	200	49,932	49,732
Operating transfers in	-	-	61,913	61,913
Operating transfers out	(37,966)	(37,966)	(445,866)	(407,900)
Total other financing sources (uses)	(37,766)	(37,766)	(334,021)	(296,255)
Net change in fund balance	(3,809,643)	(3,809,643)	52,936	3,862,579
Fund balance, beginning of year	3,809,643	3,809,643	7,289,363	3,479,720
Fund balance, end of year	$ -	$ -	$ 7,342,299	$ 7,342,299

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amount			Variance with Final Budget Favorable
REVENUES	Original	Final	Actual	(Unfavorable)
From local sources				
Earnings on investments	$ -	$ -	$ 261	$ 261
Other local revenues	-	-	2,700	2,700
Intergovernmental - state	1,003,702	1,374,669	1,545,609	170,940
Intergovernmental - federal	1,617,372	4,225,203	2,656,521	(1,568,682)
Total revenues	2,621,074	5,599,872	4,205,091	(1,394,781)
EXPENDITURES				
Current				
Instruction	1,760,405	4,179,102	2,628,319	1,550,783
Support services				
Student	103,767	103,766	87,927	15,839
Instructional staff	400,471	398,679	540,329	(141,650)
District administration	20,000	380,784	380,784	-
School administration	18,255	18,255	18,058	197
Business	99,104	92,037	108,624	(16,587)
Plant operation and maintenance	-	-	10,280	(10,280)
Student transportation	91,564	288,422	234,694	53,728
Food service operations	-	-	48,931	(48,931)
Community services	165,474	176,794	168,113	8,681
Day care operations	-	-	22,135	(22,135)
Total expenditures	2,659,040	5,637,839	4,248,194	1,389,645
Excess (deficit) of revenues over (under) expenditures	(37,966)	(37,967)	(43,103)	(5,136)
OTHER FINANCING SOURCES (USES)				
Transfers in	37,966	37,966	37,966	-
Total other financing sources (uses)	37,966	37,966	37,966	-
Net change in fund balance	-	(1)	(5,137)	(5,136)
Fund balance, beginning of year	-	-	40,397	40,397
Fund balance, end of year	$ -	$ (1)	$ 35,260	$ 35,261

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
From local sources				
Earnings on investments	$ -	$ -	$ 57,557	$ 57,557
Total revenues	-	-	57,557	57,557
EXPENDITURES				
Land improvements/acquisitions	-	-	-	-
Building improvements	-	407,900	6,524,691	(6,116,791)
Total expenditures	-	407,900	6,524,691	(6,116,791)
Excess (deficit) of revenues over (under) expenditures	-	(407,900)	(6,467,134)	(6,059,234)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	407,900	407,900	-
Transers (out)	-	-	(61,913)	(61,913)
Total other financing sources (uses)	-	407,900	345,987	(61,913)
Net change in fund balance	-	-	(6,121,147)	(6,121,147)
Fund balance, beginning of year	-	-	8,695,574	8,695,574
Fund balance, end of year	$ -	$ -	$ 2,574,427	$ 2,574,427

TRIGG COUNTY SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 1 – BUDGETARY INFORMATION

The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary accounting method and GAAP are:

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

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

In accordance with state law, the District prepares a general school budget based upon the amount of revenue to be raised by local taxation, including the rate of levy and from estimates of other local, state and federal revenues. The budget contains estimated expenditures for current expenses, debt service, capital outlay and other necessary expenses. The budget must be approved by the Board.

The District does not budget for on-behalf payments, which are reported with the General, Food Service and Day Care Funds in the fund financial statements and the budgetary comparison supplementary information.

The District must formally and publicly examine estimated revenues and expenditures for the subsequent fiscal year by January 31 of each calendar year.

The District must prepare an annual allocation to schools by March 1 of each year for the following fiscal year. This allocation must include the amount for certified and classified staff based on the District's staffing policy and the amount for instructional supplies, materials, travel and equipment.

The District must adopt a tentative working budget for the subsequent fiscal year by May 30 of each year. This budget must contain a 2.00% reserve.

Finally, the District must adopt a final working budget and submit it to the Kentucky Department of Education by September 30 of the current fiscal year.

The Board has the ability to amend the working budget. The working budget was amended during the year.

The Construction Fund had an excess of expenditures over appropriations in the amount of $6,116,791 for construction projects.

TRIGG COUNTY SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

NOTE 1 – BUDGETARY INFORMATION, continued

Reconciliation to the General Fund

Revenues - budgetary basis	$ 14,108,748
On-behalf payments	5,569,173
Total revenues - modified cash basis	$ 19,677,921
Expenditures - budgetary basis	$ 13,721,791
On-behalf payments	5,569,173
Total expenditures - modified cash basis	$ 19,290,964

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

As of June 30	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability	0.106489%	0.103926%	0.110455%	0.112559%	0.118080%	0.118700%	0.120490%
District's proportionate share of net pension liability	$ 8,167,618	$ 7,309,162	$ 6,727,046	$ 6,588,425	$ 5,813,816	$ 5,110,817	$ 3,996,200
District's covered-employee payroll	$ 2,763,016	$ 2,671,513	$ 2,774,264	$ 2,768,781	$ 2,339,009	$ 2,530,114	$ 2,738,235
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	295.61%	273.60%	242.48%	237.95%	248.56%	202.00%	145.94%
Plan fiduciary net position as a percentage of total pension liability	47.81%	50.45%	54.54%	53.30%	55.50%	59.97%	68.80%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

For the year ended June 30	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 544,988	$ 533,262	$ 433,320	$ 401,714	$ 517,202	$ 399,002	$ 447,028
Contributions in relation to the contractually required contribution	544,988	533,262	433,320	401,714	517,202	399,002	447,028
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,823,773	$ 2,763,016	$ 2,671,513	$ 2,774,264	$ 2,768,781	$ 2,339,009	$ 2,530,114
Contributions as a percentage of covered-employee payroll	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

Changes in benefit terms

House Bill 271 passed during the 2020 Legislative Session and removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse. It also increased benefits for a very small number of beneficiaries.

Changes in assumptions

No changes.

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)

As of June 30	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of net pension liability	$ 42,145,551	$ 39,153,263	$ 37,922,617	$ 78,024,382	$ 87,942,182	$ 70,316,569	$ 60,006,370
District's covered-employee payroll	$ 9,671,447	$ 9,206,733	$ 9,212,909	$ 9,111,483	$ 9,163,901	$ 8,993,005	$ 8,963,899
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total pension liability	58.76%	58.76%	59.30%	39.83%	35.22%	42.49%	45.59%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – PENSION
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)

For the year ended June 30	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 9,591,361	$ 9,671,447	$ 9,206,733	$ 9,212,909	$ 9,111,483	$ 9,163,901	$ 8,993,005
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLMENTARY INFORMATION – PENSION
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)

Changes in benefit terms

No changes.

Changes in assumptions

The municipal bond index rate was changed from 3.50% to 2.19%.

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

As of June 30	2021	2020	2019	2018
District's proportion of collective net OPEB liability	0.106461%	0.103899%	0.110451%	0.112559%
District's proportionate share of collective net OPEB liability	$ 2,570,709	$ 1,747,534	$ 1,961,036	$ 2,262,821
District's covered-employee payroll	$ 2,763,016	$ 2,671,513	$ 2,774,264	$ 2,768,781
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	93.04%	65.41%	70.69%	81.73%
Plan fiduciary net position as a percentage of total OPEB liability	51.67%	60.44%	57.62%	52.40%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

For the year ended June 30	2021	2020	2019	2018
Contractually required contribution	$ 134,412	$ 131,250	$ 140,521	$ 130,390
Contributions in relation to the contractually required contribution	134,412	131,250	140,521	130,390
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,823,773	$ 2,763,016	$ 2,671,513	$ 2,774,264
Contributions as a percentage of covered-employee payroll	4.76%	4.75%	5.26%	4.70%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB
COUNTY EMPLOYEES RETIREMENT SYSTEM (CERS)

Changes in benefit terms

No changes.

Changes in assumptions

- The single discount rate of non-hazardous changed from 5.68% to 5.34%.
- The municipal bond rate decreased from 3.13% to 2.45%.
- The assumed increase in future healthcare costs, or trend assumption, was reviewed during the June 30, 2019 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs.
- The June 30, 2020 actuarial information reflects the anticipated savings from the repeal of the "Cadillac Tax" and "Health Insurer Fee", which occurred in December of 2019. The assumed loan on pre-Medicare premiums were reduced by 11.00% to reflect the repeal of the Health Insurer Fee.

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – MEDICAL INSURANCE FUND

As of June 30	2021	2020	2019	2018
District's proportion of collective net OPEB liability	0.160421%	0.153812%	0.150133%	0.153156%
District's proportionate share of collective net OPEB liability	$ 4,049,000	$ 4,502,000	$ 5,209,000	$ 5,461,000
State's proportionate share of collective net OPEB liability	$ 3,243,000	$ 3,636,000	$ 4,489,000	$ 4,461,000
District's covered-employee payroll	$ 9,247,315	$ 8,753,084	$ 8,766,535	$ 8,616,986
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	43.79%	51.43%	59.42%	63.37%
Plan fiduciary net position as a percentage of total OPEB liability	39.05%	32.58%	25.50%	21.18%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – MEDICAL INSURANCE FUND

For the year ended June 30	2021	2020	2019	2018
Contractually required contribution	$ 272,255	$ 277,558	$ 262,552	$ 263,040
Contributions in relation to the contractually required contribution	272,255	277,558	262,552	263,040
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 9,075,030	$ 9,247,315	$ 8,753,084	$ 8,766,535
Contributions as a percentage of covered-employee payroll	3.00%	3.00%	3.00%	3.00%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – LIFE INSURANCE FUND

As of June 30	2021	2020	2019	2018
District's proportion of collective net OPEB liability	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of collective net OPEB liability	$ -	$ -	$ -	$ -
State's proportionate share of collective net OPEB liability	$ 98,000	$ 84,000	$ 77,000	$ 60,000
District's covered-employee payroll	$ 9,247,315	$ 8,753,084	$ 8,766,535	$ 8,616,986
District's proportionate share of collective net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of total OPEB liability	71.57%	73.40%	75.00%	79.99%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year's end.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) – LIFE INSURANCE FUND

For the year ended June 30	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 9,075,030	$ 9,247,315	$ 8,753,084	$ 8,766,535
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2018 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to the required supplementary information

TRIGG COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB
KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS)

Medical Insurance Fund

Changes in benefit terms

No changes.

Changes in assumptions

Updated healthcare cost trend rates.

Life Insurance Fund

Changes in benefit terms

No changes.

Changes in assumptions

No changes.

OTHER SUPPLEMENTARY INFORMATION

TRIGG COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	FSPK	Capital Outlay	District Activity	School Activity	Debt Service	Total Nonmajor Governmental
ASSETS AND RESOURCES						
Cash and cash equivalents	$ 158,823	$ 185,115	$ 53,950	$ 181,639	$ -	$ 579,527
Total assets and resources	$ 158,823	$ 185,115	$ 53,950	$ 181,639	$ -	$ 579,527
LIABILITIES AND FUND BALNCES						
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Interfund payable	-	-	-	-	39,276	39,276
Total liabilities	-	-	-	-	39,276	39,276
Fund Balances						
Nonspendable	-	-	-	-	-	-
Spendable						
Restricted	158,823	185,115	53,950	181,639	(39,276)	540,251
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	158,823	185,115	53,950	181,639	(39,276)	540,251
Total liabilities and fund balances	$ 158,823	$ 185,115	$ 53,950	$ 181,639	$ -	$ 579,527

TRIGG COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	FSPK	Capital Outlay	District Activity	School Activity	Debt Service	Total Nonmajor Governmental
REVENUES						
From local sources						
Taxes						
Property	$ 574,457	$ -	$ -	$ -	$ -	$ 574,457
Other revenue	-	-	35,983	402,519	-	438,502
Earnings on investments	1,983	105	297	689	-	3,074
Intergovernmental - state	254,539	176,637	-	-	432,812	863,988
Total revenues	830,979	176,742	36,280	403,208	432,812	1,880,021
EXPENDITURES						
Instruction	-	-	85,924	150,043	-	235,967
Instructional staff support	-	-	-	139,672	-	139,672
Other non-instructional	-	-	-	12,603	-	12,603
Debt service	-	-	-	-	1,247,355	1,247,355
Total expenditures	-	-	85,924	302,318	1,247,355	1,635,597
Excess (deficit) of revenues over (under) expenditures	830,979	176,742	(49,644)	100,890	(814,543)	244,424

Continued

TRIGG COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, continued
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	FSPK	Capital Outlay	District Activity	School Activity	Debt Service	Total Nonmajor Governmental
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	66,719	-	814,543	881,262
Transfers (out)	(814,543)	-	-	(66,719)	-	(881,262)
Total other financing sources (uses)	(814,543)	-	66,719	(66,719)	814,543	-
Net change in fund balances	16,436	176,742	17,075	34,171	-	244,424
Fund balances, beginning of year	142,387	8,373	36,875	147,468	(39,276)	295,827
Fund balances, end of year	$ 158,823	$ 185,115	$ 53,950	$ 181,639	$ (39,276)	$ 540,251

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT FUNDS
SCHOOL ACTIVITY FUNDS – TRIGG COUNTY HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balance July 1, 2020	Receipts	Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2021
Athletics							
General	$ -	$ 26,039	$ 24,665	$ 1,374	$ -	$ -	$ 1,374
Gate Change	-	2,000	2,000	-	-	-	-
Baseball	-	5,882	5,410	472	-	-	472
Boys' Basketball	-	5,399	5,399	-	-	-	-
Football	-	23,256	19,956	3,300	-	-	3,300
Girls' Basketball	-	10,819	10,819	-	-	-	-
Cheerleading	-	1,958	1,958	-	-	-	-
Fishing	4,866	3,664	7,293	1,237	-	-	1,237
Golf	-	5,122	5,122	-	-	-	-
Cross Country	-	641	641	-	-	-	-
Power lifting	759	-	-	759	-	-	759
Soccer (Boys)	-	2,282	2,119	163	-	-	163
Soccer (Girls)	-	2,666	2,097	569	-	-	569
Softball	-	4,129	3,848	281	-	-	281
Track	-	7,139	7,139	-	-	-	-
Volleyball	-	1,912	1,483	429	-	-	429
Wrestling	-	290	100	190	-	-	190
5th District Tournament	-	6,946	6,946	-	-	-	-
Fundraising - Archery	-	3,098	330	2,768	-	-	2,768
Fundraising - Baseball	-	21,644	13,267	8,377	-	-	8,377
Fundraising - Football	-	18,096	13,194	4,902	-	-	4,902
Fundraising Boys' Basketball	2,676	5,504	8,180	-	-	-	-
Fundraising Girls' Basketball	-	5,457	5,457	-	-	-	-
Fundraising Cross Country	231	11,162	5,602	5,791	-	-	5,791
Fundraising Softball	858	4,007	3,570	1,295	-	-	1,295
Fundraising Volleyball	241	2,724	1,321	1,644	-	-	1,644
Fundraising Boys' Soccer	706	1,922	1,648	980	-	-	980
Fundraising Girls' Soccer	-	5,895	3,141	2,754	-	-	2,754

Continued

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT FUNDS
SCHOOL ACTIVITY FUNDS – TRIGG COUNTY HIGH SCHOOL, continued
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balance July 1, 2020	Receipts	Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2021
Senior Class	828	17,397	15,877	2,348	-	-	2,348
Clubs							
Academic	372	625	378	619	-	-	619
Art	1,504	163	656	1,011	-	-	1,011
Beta	192	2,260	2,067	385	-	-	385
DECA	284	1,860	1,578	566	-	-	566
Drama	791	-	50	741	-	-	741
Educators Rising	-	261	261	-	-	-	-
Environmental Science	237	-	-	237	-	-	237
FFA	6,259	17,368	15,545	8,082	-	-	8,082
FCCLA	204	204	266	142	-	-	142
Region FCCLA	1,063	117	-	1,180	-	-	1,180
Foreign Language	706	-	149	557	-	-	557
Gifted & Talented	402	-	12	390	-	-	390
History	80	-	-	80	-	-	80
HOSA	1,998	1,060	2,807	251	-	-	251
Interact	288	-	165	123	-	-	123
NHS	863	1,620	915	1,568	-	-	1,568
One Friend	626	-	-	626	-	-	626
Sources of Strength	-	377	377	-	-	-	-
Student Council	847	-	-	847	-	-	847
Black Hole	1,215	176	1,091	300	-	-	300
FCA	921	680	1,281	320	-	-	320
FCA Disaster Relief	526	-	-	526	-	-	526
TSA/STLP	340	4,828	3,956	1,212	-	-	1,212
Web Design	176	-	67	109	-	-	109
Y Club	225	-	-	225	-	-	225
Youth Leadership	284	-	-	284	-	-	284

Continued

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT FUNDS
SCHOOL ACTIVITY FUNDS – TRIGG COUNTY HIGH SCHOOL, continued
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balance July 1, 2020	Receipts	Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2021
Departments							
Agriculture	20	165	20	165	-	-	165
Ag Greenhouse	9,231	9,250	5,832	12,649	-	-	12,649
Annual	9,993	4,655	7,768	6,880	-	-	6,880
Band	5,193	19,518	17,227	7,484	-	-	7,484
Business	418	20	288	150	-	-	150
Help Desk	-	20	20	-	-	-	-
Digital Lit/Fusion	33	-	33	-	-	-	-
English	23	-	-	23	-	-	23
Guidance	41	1,872	1,913	-	-	-	-
Engineering	424	45	127	342	-	-	342
FACS - Advanced Foods	105	-	105	-	-	-	-
FACS - Advanced Parenting	-	155	73	82	-	-	82
FACS - Life Skills	63	-	-	63	-	-	63
FACS - Fashion & Interior	-	33	33	-	-	-	-
Library Fines	-	23	-	23	-	-	23
Health Sciences	-	86	31	55	-	-	55
P.E. I.	3	-	3	-	-	-	-
Nurse Fees	5	-	5	-	-	-	-
Math	7	-	7	-	-	-	-
Science	71	334	405	-	-	-	-
Photography	218	-	145	73	-	-	73
School Store	-	14,339	13,510	829	-	-	829
Prom	8,157	4,601	5,041	7,717	-	-	7,717
Special Olympics	-	-	-	-	-	-	-

Continued

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT FUNDS
SCHOOL ACTIVITY FUNDS – TRIGG COUNTY HIGH SCHOOL, continued
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balance July 1, 2020	Receipts	Disbursements	Cash Balance June 30, 2021	Accounts Receivable	Accounts Payable	Due to Student Groups June 30, 2021
Departments, continued							
Chromebook	-	16,986	16,986	-	-	-	-
General Activity Fund	-	1,335	1,297	38	-	-	38
General Academic	30	-	30	-	-	-	-
General Vending							
Teacher	-	2,175	2,133	42	-	-	42
Student	37	1,909	1,463	483	-	-	$ 483
St Flex	-	-	-	-	-	-	-
Parking Permit	-	-	-	-	-	-	-
Makerspace	-	899	227	672	-	-	672
Student Rotary	539	4,336	4,875	-	-	-	-
Subtotal	66,179	321,405	289,800	97,784	0	0	97,784
Interfund transfers	-	(26,615)	(26,615)	-	-	-	-
Trigg County High School	66,179	294,790	263,185	97,784	-	-	97,784
Trigg County Middle School	39,203	69,312	63,086	45,429	-	-	45,429
Trigg County Intermediate School	16,755	19,642	25,610	10,787	-	-	10,787
Trigg County Primary School	25,347	19,469	17,177	27,639	-	-	27,639
Total	$ 147,484	$ 403,213	$ 369,058	$ 181,639	$ -	$ -	$ 181,639

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	
U.S. Department of Education				
Passed through State Department of Education:				
Special Education Cluster:				
Special Education Grants to States	84.027	3810002-20	$ 473,556	
Special Education Preschool Grants	84.173	3800002-20	42,446	
Total Special Education Cluster				$ 516,002
Title I Grants to Local Educational Agencies	84.010	3100002-20	598,315	
	84.010	3100002-19	101,020	
	84.010	3100202-18	120,450	
Total Title I Grants to Local Educational Agencies				819,785
Career and Technical Education -				
Basic Grants to States	84.048	3710002-20	30,332	
	84.048	3710002-19	3,275	
	84.048	3710002-18	953	
				34,560
Rural Education	84.358	3140002-20	5,568	
	84.358	3140002-19	86,646	
	84.358	3140002-18	13,935	
				106,149
Supporting Effective Instruction State Grants	84.367	3230002-20	20,643	
		3230002-19	25,665	
Total Supporting Effective Instruction State Grants				46,308
Student Support and Academic Enrichment Program	84.424	3420002-19	6,416	
	84.424	3420002-18	5,792	
Total Student Support and Academic Enrichment Program				12,208
COVID-19 Education Stabilization Fund Under the Coronvirus Aid, Relief and Economic Security Act	84.425	4200002-21	579,627	
	84.425	4000002-20	421,466	
	84.425	4000003-20	2,402	
	84.425	GEERS-20	79,074	1,082,569

Continued

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued
JUNE 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	
Other U.S. Department of Education Programs:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	Direct		700
Impact Aid	84.041	Direct		1,168,708
Total U.S. Department of Education				3,786,989
U.S. Department of Agriculture				
Passed through State Department of Education:				
Child Nutrition Cluster				
Summer Food Service Program for Children	10.559	7690024-21	76,554	
	10.559	7690024-20	22,119	
	10.559	7740023-21	745,307	
	10.559	7740023-20	215,456	
Total Summer Food Service Program for Children				1,059,436
State Administrative Expenses for Child Nutrition	10.560	7700001-20		782
Other U.S. Department of Agriculture Programs:				
Fresh Fruit and Vegetable Program	10.582	Direct		49,036
Total U.S. Department of Agriculture				1,109,254
U.S. Department of the Treasury				
Passed through State Department of Education:				
COVID-19 Coronavirus Relief Fund	21.019	CARES-20		376,889
Total U.S. Department of the Treasury				376,889

Continued

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued
JUNE 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Environmental Protection Agency			
Passed through State Division for Air Quality:			
Diesel Emissions Reduction Act (DERA) State Grants	66.040	Direct	27,500
Total U.S. Environmental Protection Agency			27,500
U.S. Department of Health and Human Services			
COVID-19 Child Care and Development Block Grant	93.575	Direct	22,135
Total U.S. Department of Health and Human Services			22,135
Total Expenditures of Federal Awards			$ 5,322,767

See notes to Schedule of Expenditures of Federal Awards

TRIGG COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Trigg County School District (District) under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

NOTE 3 – SUBRECIPIENTS

There were no subrecipients during the fiscal year.

NOTE 4 – INDIRECT COST RATE

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

NOTE 5 – COMMODITIES

Nonmonetary assistance is reported in the Schedule at the fair market value of the USDA food commodities received and disbursed.

INTERNAL CONTROL AND COMPLIANCE

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Trigg County School District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 10, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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. In addition, the results of our tests disclosed no material instances of noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditor's Contract – State Audit Requirements*.

We noted certain matters that we reported to management of Trigg County School District in a separate report dated November 10, 2021.

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.

Duguid, Gentry & Associates, PSC

Duguid, Gentry & Associates, PSC

Certified Public Accountants
Hopkinsville, Kentucky

November 10, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Trigg County School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract.* Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Trigg County School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Duguid, Gentry & Associates, PSC

Duguid, Gentry & Associates, PSC

Certified Public Accountants
Hopkinsville, Kentucky

November 10, 2021

TRIGG COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes _X_ no

Significant deficiency(ies) identified? ___ yes _X_ none reported

Noncompliance material to financial statements noted? ___ yes _X_ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes _X_ no

Significant deficiency(ies) identified? ___ yes _X_ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ___ yes _X_ no

Major federal programs:

Program Title	CFDA Number
Title I Grants to Local Educational Agencies	84.010
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act	84.425
Coronavirus Relief Fund	21.019
Impact Aid	84.041

Dollar threshold to distinguish between type A and type B programs: $750,000

Auditee qualified as a low-risk auditee? _X_ yes ___ no

Findings – Financial Statement Audits

None

Findings and Questioned Costs – Major Federal Award Program Audit

None

TRIGG COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

None

MANAGEMENT COMMENTS FOR AUDIT

SANDRA D. DUGUID, CPA
ANNA B. GENTRY, CPA, CFE

WALTER G. CUMMINGS, CPA
MEREDITH D. MORRIS, CPA
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November 10, 2021

Members of the Board of Education
Trigg County School District
Cadiz, Kentucky

In planning and performing our audit of the financial statements of Trigg County School District (District) for the year ended June 30, 2021, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

The memorandum that accompanies this letter summarizes our comments and recommendations. Any uncorrected comments from the prior year have been listed in this letter. A separate report dated November 10, 2021 contains our report on the District's internal control. This letter does not affect our report dated November 10, 2021 on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and recommendations with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

This report is intended solely for the information and use of management, the members of the Trigg County Board of Education, others within the District, the Kentucky Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Duguid, Gentry & Associates, PSC

Duguid, Gentry & Associates, PSC

Certified Public Accountants
Hopkinsville, Kentucky

TRIGG COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2021

TRIGG COUNTY PRIMARY SCHOOL

I. Criteria – Accounting Procedures for Kentucky School Activity Funds (Redbook) sets accounting guidelines for inactive activity accounts if there has not been activity during the preceding 12 months.

Condition – 1 account with a balance at year end had no activity during the preceding 12 months and is considered inactive.

Cause – Lack of implementation of Redbook policy.

Effect – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (Redbook).

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Views of Responsible Officials – Due to restrictions related to COVID-19, organizations were unable to complete their activities. Inactive accounts will remain open to be used for their original purposes.

TRIGG COUNTY MIDDLE SCHOOL

I. Criteria – Accounting Procedures for Kentucky School Activity Funds (Redbook) sets accounting guidelines for Inventory Control and Sales collection forms.

Condition – Forms F-SA-5 Inventory Control Worksheet and F-SA-17 Sales from Concessions/Bookstore/Pencil Machine Form were prepared by the same individual.

Cause – Lack of implementation of Redbook policy.

Effect – Noncompliance with Accounting Procedures for Kentucky School Activity Funds (Redbook).

Recommendation – The person filling out Form F-SA-5 Inventory Control Worksheet should not be the same person that collect monies and completes the F-SA-17 Sales from Concessions/Bookstore/Pencil Machine Form.

Views of Responsible Officials – This issue will be corrected in the future.

TRIGG COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2021

TRIGG COUNTY INTERMEDIATE SCHOOL

I. **Condition** – 1 account had no activity during the preceding 12 months and is considered inactive.

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Current status – This finding was repeated as to six accounts for the fiscal year ended June 30, 2021.

Views of Responsible Officials – Due to restrictions related to COVID-19, organizations were unable to complete their activities. Inactive accounts will remain open to be used for their original purposes.

TRIGG COUNTY MIDDLE SCHOOL

I. **Condition** – 2 accounts with balances at year end had no activity during the preceding 12 months and are considered inactive.

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Current status – This finding was repeated as to 5 accounts for the fiscal year ended June 30, 2021.

Views of Responsible Officials – Due to restrictions related to COVID-19, organizations were unable to complete their activities. Inactive accounts will remain open to be used for their original purposes.

II. **Condition** – Form F-SA-2B Fundraiser Summary was not completed for three fundraisers.

Recommendation – When items are sold, the Fundraiser Summary form should be used and completed and approved timely to recap the profitability of a fundraiser sales cycle.

Current status – This finding was not repeated for the fiscal year ended June 30, 2021.

TRIGG COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2021

TRIGG COUNTY HIGH SCHOOL

I. **Condition** – 1 account with balance at year end had no activity during the preceding 12 months and is considered inactive.

Recommendation – If the student organization did not designate in writing how remaining funds shall be disposed, then inactive accounts' funds shall be transferred to the school activity general account and used for the general benefit of all students.

Current status – This finding was repeated as to 10 accounts for the fiscal year ended June 30, 2021.

Views of Responsible Officials – Due to restrictions related to COVID-19, organizations were unable to complete their activities. Inactive accounts will remain open to be used for their original purposes.

II. **Condition** – Form F-SA-2B Fundraiser Summary was not completed for a fundraiser.

Recommendation – When items are sold, the Fundraiser Summary form should be used and completed and approved timely to recap the profitability of a fundraiser sales cycle.

Current status – This finding was repeated as to six fundraisers for the fiscal year ended June 30, 2021.

Views of Responsible Officials – Annually a Redbook training is conducted to train coaches and sponsors on proper Redbook procedures. During the next training sessions, the Fundraiser Summary form will be strongly reviewed.

III. **Condition** – Form F-SA-5, Inventory Control Worksheet was not properly completed for Concessions.

Recommendation – Any stocked items held for resale require the use of the Inventory Control Worksheet detailing beginning and ending inventories, quantities, descriptions, values, units of measure and unit selling price.

Current status – The finding was not repeated for the fiscal year ended June 30, 2021.