WARREN COUNTY SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND INDEPENDENT AUDITOR'S REPORTS

Year Ended June 30, 2019

WARREN COUNTY SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Warren County School District
Bowling Green, 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 the Warren County School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 of 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor, considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on 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, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2019, the District adopted Governmental Accounting Standards Board Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 11, budgetary comparison information on pages 60 to 61, schedule of proportionate share of the net pension and OPEB liabilities on pages 62 to 66 and schedule of contributions on pages 67 to 71 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 Warren County School District's basic financial statements. The combining financial statements, school schedules 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 financial statements, school schedules 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 accounting standards generally accepted in the United States of America. In our opinion, the combining financial statements, school schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 7, 2019, on our consideration of Warren County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Warren County School District's internal control over financial reporting and compliance.



Stiles, Carter & Associates, CPAs, P.S.C.
Elizabethtown, Kentucky
November 7, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

WARREN COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019

The discussion and analysis of the Warren County Board of Education's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ending June 30, 2019. The intent of this discussion and analysis is to review the District's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis ("MD&A") is an element of the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34 Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Government issued in June 1999.

Financial Highlights

1. In total, net position increased by $5,477,672. The Net Position of governmental activities increased by $3,610,430, while the net position of business-type activity increased by $1,867,242. Total assets increased by $8,108,387 and total liabilities increased by $174,378. If one explores the more detailed Statement of Net Position, within the audit report, they will notice a significant decrease in "Current and Other Assets" and likewise a material up swing in "Capital Assets". These two events are directly correlated and predominately relate to the completion and capitalization of the Jennings Creek Elementary School project.

2. General revenues accounted for $112,967,997 or 93% of all governmental revenues. Program specific revenues in the form of operating grants, grants and contributions accounted for $8,237,029 or 7% of total governmental revenues of $121,205,026.

3. Governmental Activities: Total assets increased by $5,722,186. "Capital Assets" increased by $16,794,044. "Current and Other Assets" decreased by $11,071,858 in 2019.

4. The District had $118,480,794 in expenses relating to governmental activities; of which $8,237,029, in expenses, were offset by program specific charges for services, grants, and contributions. General revenues (primarily local taxes and the State SEEK allocation), were adequate to provide these programs.

Using this Annual Financial Report (AFR)

This annual report consists of three parts – *management's discussion and analysis* (this part), *the basic financial statements*, and *the required supplementary information*. These statements are organized in a manner so that the reader can understand the District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The **Statement of Net Position and Statement of Activities** provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's major funds with all other non-major funds presented in total in one column. The major funds for the District are the general fund, special revenue fund, and the capital projects fund.

Reporting on the District as a Whole

One of the most important questions to ask is "how did the District perform financially during the fiscal year 2019?" The **Statement of Net Position** and the **Statement of Activities**, which appear first in the District's financial statements, report information on the District as a whole and is formatted in such a way that will assist a reader in answering this question. These statements include all assets and liabilities using the accrual basis of accounting and economic resources measurement focus, which is similar to the accounting used by most private-sector companies.

These two statements report the District's net position and the changes therein. This change in net position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the District's property tax base, current property tax laws in Kentucky restricting revenue growth *(4% maximum growth in revenue)*, required educational programs and other factors.

In the **Statement of Net Position** and the **Statements of Activities**, the District is divided into two distinct categories:

- **Government Activities** - Most of the District's basic services are included here, such as instructional services (as it relates to elementary, middle and high school educational programs), support services (guidance, attendance, health services, special needs services, etc.), debt service payments, extracurricular activities (sports, band, etc.), operation and maintenance of plant, pupil transportation and other activities.

- **Business-type Activities -** These services are provided on a charge for goods or services basis to recover all of the expenses of the goods provided. The District's business-type activities are the food service and day care operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 14. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's major funds.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using the accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds - Proprietary funds use the same basis of accounting as business-type activities; therefore, the statements for the proprietary fund will essentially match.

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 statements.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	$47,884,805	$ 58,956,663	$ 4,634,932	$ 4,050,619	$52,519,737	$ 63,007,282
Capital Assets	281,892,294	265,098,250	13,357,589	11,555,701	295,249,883	276,653,951
Total Assets	329,777,099	324,054,913	17,992,521	15,606,320	347,769,620	339,661,233
Deferred Outflows	17,487,211	16,830,524	2,208,048	2,658,466	19,695,259	19,488,990
Long-term Debt	254,347,291	250,206,443	8,211,176	8,230,243	262,558,467	258,436,686
Other Liabilities	18,191,408	22,127,609	78,496	89,698	18,269,904	22,217,307
Total Liabilities	272,538,699	272,334,052	8,289,672	8,319,941	280,828,371	280,653,993
Deferred Inflows	6,721,425	4,157,629	825,701	726,891	7,547,126	4,884,520
Net Position						
Net investment in capital assets	106,135,017	89,310,047	13,357,589	11,555,701	119,492,606	100,865,748
Restricted	18,089,668	26,354,436			18,089,668	26,354,436
Unrestricted	(56,220,499)	(51,270,727)	(2,272,393)	(2,337,747)	(58,492,892)	(53,608,474)
Total Net Position	$68,004,186	$ 64,393,756	$ 11,085,196	$ 9,217,954	$79,089,382	$ 73,611,710

(Table 2)
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
REVENUES:						
Program revenues:						
Charges for services	$ 67,497	$ 72,489	$2,085,862	$2,076,158	$ 2,153,359	$ 2,148,647
Operating grants and contributions	2,948,608	44,230,171	9,712,186	8,477,916	12,660,794	52,708,087
Capital grants	5,220,924	1,796,156	-	-	5,220,924	1,796,156
General revenues:						
Property taxes	38,089,682	35,006,544	-	-	38,089,682	35,006,544
Motor vehicle taxes	4,283,987	3,899,710	-	-	4,283,987	3,899,710
Utility taxes	6,363,381	6,213,946	-	-	6,363,381	6,213,946
Occupational taxes	9,671,500	9,586,069	-	-	9,671,500	9,586,069
Other taxes	1,201,408	1,053,860	-	-	1,201,408	1,053,860
Investment earnings	994,815	464,317	84,474	43,996	1,079,289	508,313
State and formula grants	51,852,005	55,795,270	-	-	51,852,005	55,795,270
Miscellaneous	511,219	1,219,603	-	-	511,219	1,219,603
Total revenues	121,205,026	159,338,135	11,882,522	10,598,070	133,087,548	169,936,205
EXPENSES						
Program Activities						
Instruction	55,566,807	95,603,289	-	-	55,566,807	95,603,289
Student support	10,233,577	6,455,603	-	-	10,233,577	6,455,603
Instructional staff support	3,774,569	2,421,623	-	-	3,774,569	2,421,623
District administrative support	2,274,656	1,456,000	-	-	2,274,656	1,456,000
School administrative support	9,180,935	6,191,476	-	-	9,180,935	6,191,476
Business support	3,925,357	2,528,509	-	-	3,925,357	2,528,509
Plant operation and maintenance	16,319,122	11,481,450	-	-	16,319,122	11,481,450
Student transportation	10,458,639	7,241,403	-	-	10,458,639	7,241,403
Community service activities	1,576,744	781,679	-	-	1,576,744	781,679
Other	261,835	19,379,786	-	-	261,835	19,379,786
Interest costs	4,908,553	4,737,380	-	-	4,908,553	4,737,380
Business-type Activities:						
Food service	-	-	11,791,210	10,427,854	11,791,210	10,427,854
Daycare	-	-	54,624	189,614	54,624	189,614
Total expenses	118,480,794	158,278,198	11,845,834	10,617,468	130,326,628	168,895,666
Change in net position before transfers	2,724,232	1,059,937	36,688	(19,398)	2,760,920	1,040,539
Transfers	(1,830,554)	521,477	1,830,554	(521,477)	-	-
Change in net position	$ 893,678	$ 1,581,414	$1,867,242	$ (540,875)	$ 2,760,920	$ 1,040,539

Governmental Activities

Governmental program expenses are broken down as follows: Instruction 47%, Support Services 47%, and Other 6%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting the program service costs. Table 3 shows, for government activities, the total cost of services and the net cost of services. In other words, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. The total cost of services includes $35,983,800 that relates to the 2019 State On-Behalf Payments.

(Table 3)
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	$ 55,566,807	$ 95,603,289	$ 64,339,960	$ 60,312,553
Support Services	56,166,855	37,776,064	45,800,365	28,907,375
Community services	1,576,744	781,679	153,976	(339,327)
Facilities acquistion	-	-	(4,479,260)	-
Other	261,835	19,379,788	261,835	19,379,786
Interest costs	4,908,553	4,737,380	4,166,889	3,918,995
Total Expenses	$ 118,480,794	$ 158,278,200	$ 110,243,765	$ 112,179,382

Business-Type Activities

The business-type activities are food service and daycare. These programs had revenues of $11,882,522 and expenses of $11,845,834 for the fiscal year 2019. Of the revenues, $2,085,862 related to charges for services, $9,712,186 was from State and Federal grants, $84,474 were from investment earnings, and there were no capital contributions by the District. Business activities receive no support from tax revenues. The District will continue to monitor the charges and costs of these activities. If it becomes necessary, the District will increase the charges for these activities.

The District's Funds

Information about the District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of $223,674,199 and expenditures and other financing uses of $232,038,105. The net change in total fund balances was 8,363,906 from the fiscal year 2018 to 2019.

General Fund-Budget Highlights

The District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The State Department of Education requires a zero-based budget with any budgeted remaining fund balance shown as a contingency expense in the budget process.

A variance comparison is presented between the final budgeted amounts and the actual (GAAP Basis) amounts. Revenues for the General Fund were budgeted at $128,452,969 with actual amounts totaling $133,240,775. Budgeted expenditures were $139,010,430 (not including a contingency budget of $13,665,855) compared to actual expenditures of $135,243,780. Budgeted "Other Financing Sources and Uses" reflected a net financing source of $343,079 compared to an actual net financing use of $122,102. In total, an expected decrease in the General Fund balance of $23,880,237 was budgeted compared to an actual net decrease of $2,125,107.

Capital Assets and Debt Administration

Capital Assets

At the end of the fiscal year 2019, the District had $295,249,883 invested in capital assets (see Table 4 below), $281,892,294 is in governmental activities. Table 4 shows the fiscal year 2019 balances compared to 2018.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land and land improvements	$ 25,956,970	$ 23,158,707	$ -	$ -	$ 25,956,970	$ 23,158,707
Construction in progress	33,719,645	32,148,017	-	-	33,719,645	32,148,017
Buildings and improvements	211,618,524	201,045,440	12,031,514	10,359,618	223,650,038	211,405,058
Technology	828,980	853,816	24,814	39,588	853,794	893,404
Vehicles	3,040,214	1,942,943			3,040,214	1,942,943
General equipment	6,727,961	5,949,327	1,301,261	1,156,495	8,029,222	7,105,822
Total	$ 281,892,294	$ 265,098,250	$ 13,357,589	$ 11,555,701	$ 295,249,883	$ 276,653,951

Debt

At June 30, 2019, the District had $175,304,000 in bonds outstanding, of this amount $9,558,047 are to be paid from the KSFCC funding provided by the State of Kentucky. A total of $10,036,000 is due within one year. At June 30, 2018, the District had $175,805,521 in bonds outstanding, of this amount $7,665,141 were to be paid from KSFCC funding.

District Challenges for the Future

The Warren County Public School system (District) is the fourth largest district, within the Commonwealth, and anticipates enrollment to approach 17,000 students in fiscal year 2020. The District has grown from a Pre-K through 12th grade student membership of 10,923 in 2003 to 16,269 for fiscal year end 2019. This equates to a 48.94% growth in only sixteen years. The District has prepared for this increase in enrollment by building new schools and by renovating and expanding existing schools. The District remains in good financial condition, however, there are challenges that the District will encounter: increase the level of achievement of our students, Pension Reform, English Learner (EL) population, State Tax Reform, Senate Bill 1, 100% online State testing and adequate funding.

The most essential challenge is to continue to increase student achievement. On the most recent release of test scores, Warren County Schools continued to demonstrate a strong performance with growth in many areas. In addition, the District has nine "Leader In Me" Lighthouse Schools and fourteen preschool programs have earned the maximum Five Star Rating on the Kentucky All STARS Evaluation. Achievement Gaps continue to exist in many of our schools, but these challenges and opportunities keep us focused on providing a differentiated approach to teaching that serves the individual needs of our students. Prioritizing standards in reading, math and science; providing academic-rich learning environments for our English Learners and students with disabilities; differentiating instruction for all students; providing good customer service to improve our school climates; analyzing student data using various data points; utilizing interactive, 21st Century technology in our classrooms, and engaging students in learning that is rigorous and relevant to life are all efforts that we have in place to increase student achievement.

It is important for every educator in the District to feel that the students we serve can learn at a high level according to their ability. Teachers must strive to recognize the impact they have on each student that enters their classroom. With the resources available to all educators in Warren County, the ability to meet the needs of all students is not

impossible. Providing teachers with updated curriculum maps, content guides, district common assessments, and prioritized standards is a process that is revisited routinely throughout our District. We have no choice but to move the students to a higher level in order to ensure their ability to function and thrive in a global, 21st Century marketplace. What the information does not tell us is the level of motivation for learning. It will also not inform us as to the amount of parental/family involvement in the educational process. We will also be unable to discern what happens in the life of a student outside the walls of our educational institutions. This information can be very helpful in serving needs that can affect learning. The WCPS system encourages the building of relationships by all to help remove as many barriers to learning as we possibly can. By providing a team approach to educating our students, we are able to help the students be prepared and willing to learn in our classrooms.

The population of students identified as English Learners (ELs) in the District has grown significantly in the last decade, with ELs numbering 650 in 2007 and 2530 currently. The EL student population represents more than 15% of the overall student population in the District. These students are eligible for English language development programs (also known as EL or ESL programs) offered by the District. We are also required to monitor students who exit from English language development programs for four (4) full academic years, and there are currently 792 students who fall within this category. Finally, there are approximately 610 students in the District who were formerly served in English language development programs and are now fully exited. These students also need continuing support to ensure that they become "college and career ready" and successfully transition after graduation. When we consider the EL students who are currently eligible for English language development programs, those who have just exited and are being monitored and those who are completely out of English language development programs, there are approximately 3929 students being supported in one way or another by administrators and teachers. This accounts for more than 24% of our total enrollment or almost one in four Warren County students are currently in EL programs or were in EL programs at one time.

The EL students in the District are a very diverse group, as they come from more than 90 countries and speak 88 languages and dialects. Over 900 of our current ELs are immigrants, and many are considered "students with interrupted formal education" (SIFEs) because conditions in their former countries and refugee camps made it difficult to provide consistent educational opportunities.

The EL students in the District face very significant language and content challenges. ELs in the U.S. are often doing double the work of their English speaking class peers because ELs are learning content at the same time they are learning the language of instruction. Our administrators and teachers also face many challenges, one of which being the requirement to meet federal and state accountability targets established under the Every Student Succeeds Act (ESSA). The District has responded to these challenges in several ways, including dramatically increasing the numbers of certified teachers with an English as a Second Language (ESL) endorsement. Investments in staffing allow the District to leverage the training and experiences of these staff as we rise to meet the language and academic content challenges of a large EL student population. However, maintaining and recruiting qualified, well-trained staff remains a challenge. Meeting the language and content needs of EL students is also the responsibility of general education teachers, and these individuals are generally not well prepared in pre-service programs to address these challenges. Thus, professional development becomes critical to providing teachers with the knowledge and skills required. In fact, ensuring that ongoing professional development opportunities and appropriate instructional resources are being provided is absolutely critical to meeting the challenges expressed above. While the size of the District and the EL student population create some funding streams, we continually face financial challenges in a climate of budgetary constraints and reduced federal and state support.

The final challenge as it relates to funding: Local, State and Federal. The District's predominate local revenue source is the real estate tax rate. In 2019, the District's real estate tax rate ranked as the 151st lowest in the State. The Kentucky revised statute caps the amount of new revenue generated from real estate tax increases 4% a year. The failure of the legislature to adequately fund education has resulted in the Warren County School District and districts across the Commonwealth to make significant cuts to their budgets and to personnel, compelling school boards to increase property taxes in order that districts might continue to operate and serve the students, who are the future of the Commonwealth. Fortunately, Warren County has experienced positive annual growth in property

assessment and thereby property tax revenue. However, the SEEK formula has a negative effect on districts that incur significant growth in assessment.

With careful planning, gains in efficiencies and monitoring of District finances, Warren County Public Schools' goal is to continue to provide a quality education for our students and a secure financial future for the District.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information contact Christopher C. McIntyre CPA, Treasurer at Warren County Board of Education, 303 Lovers Lane, P.O. Box 51810, Bowling Green, KY 42102-6810 or email at chris.mcintyre@warren.kyschools.us

BASIC FINANCIAL STATEMENTS

WARREN COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2019

Assets	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash, cash equivalents and investments	$ 43,062,204	$ 3,650,190	$ 46,712,394
Inventory	345,141	119,952	465,093
Receivables:			
Taxes-current	820,546		820,546
Taxes-delinquent	46,283		46,283
Other receivables	1,160,457		1,160,457
Accounts		35,687	35,687
Intergovernmental-State	372,346		372,346
Intergovernmental-Indirect Federal	1,882,644	829,103	2,711,747
Intergovernmental-Direct Federal	24,823		24,823
Prepaids	170,361		170,361
Total Current Assets	47,884,805	4,634,932	52,519,737
Noncurrent Assets			
Non-depreciable capital assets	43,553,095		43,553,095
Depreciable capital assets, net of accumulated depreciation	238,339,199	13,357,589	251,696,788
Total Noncurrent Assets	281,892,294	13,357,589	295,249,883
Total Assets	329,777,099	17,992,521	347,769,620
Deferred Outflows of Resources			
CERS Pension	9,305,297	1,665,805	10,971,102
CERS OPEB	3,029,010	542,243	3,571,253
TRS OPEB MIF	2,302,241		2,302,241
Deferred amount on debt refundings	2,850,663		2,850,663
Total Deferred Outflows of Resources	17,487,211	2,208,048	19,695,259
Liabilities			
Current Liabilities			
Accounts payable	4,007,342	8,604	4,015,946
Accrued payroll and related expenses	1,284,259		1,284,259
Unearned revenue	1,081,613	69,892	1,151,505
Bond obligations	10,036,000		10,036,000
Compensated absences	549,850		549,850
Interest payable	1,232,344		1,232,344
Total Current Liabilities	18,191,408	78,496	18,269,904
Noncurrent Liabilities			
Bond obligations	168,571,940		168,571,940
Net pension liability - CERS	35,514,958	6,357,775	41,872,733
Net OPEB liability - CERS	10,353,220	1,853,401	12,206,621
Net OPEB liability - TRS MIF	33,997,000		33,997,000
Compensated absences	5,910,173		5,910,173
Total Noncurrent Liabilities	254,347,291	8,211,176	262,558,467
Total Liabilities	272,538,699	8,289,672	280,828,371
Deferred Inflows of Resources			
CERS Pension	2,647,296	473,910	3,121,206
CERS OPEB	1,965,129	351,791	2,316,920
TRS OPEB MIF	2,109,000		2,109,000
Total Deferred Inflows of Resources	6,721,425	825,701	7,547,126
Net Position			
Net investment in capital assets	106,135,017	13,357,589	119,492,606
Restricted	18,089,668		18,089,668
Unrestricted	(56,220,499)	(2,272,393)	(58,492,892)
Total Net Position	$ 68,004,186	$ 11,085,196	$ 79,089,382

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Total
Governmental Activities:							
Instruction	$ 55,566,807	$ 25,600	$ (8,798,753)	$ -	$ (64,339,960)	$ -	$ (64,339,960)
Support services:							
Student	10,233,577		3,058,721		(7,174,856)		(7,174,856)
Instruction staff	3,774,569		1,091,615		(2,682,954)		(2,682,954)
District administrative	2,274,656		172,058		(2,102,598)		(2,102,598)
School administrative	9,180,935		2,611,054		(6,569,881)		(6,569,881)
Business	3,925,357		1,046,233		(2,879,124)		(2,879,124)
Plant operation and maintenance	16,319,122	41,897	1,034,868		(15,242,357)		(15,242,357)
Student transportation	10,458,639		1,310,044		(9,148,595)		(9,148,595)
Community service activities	1,576,744		1,422,768		(153,976)		(153,976)
Facilities acquisition and construction				4,479,260	4,479,260		4,479,260
Other	261,835				(261,835)		(261,835)
Interest on long-term debt	4,908,553			741,664	(4,166,889)		(4,166,889)
Total Governmental Activities	118,480,794	67,497	2,948,608	5,220,924	(110,243,765)	-	(110,243,765)
Business-Type Activities:							
Food service	11,791,210	1,956,864	9,684,844			(149,502)	(149,502)
Daycare	54,624	128,998	27,342			101,716	101,716
Total Business-Type Activities	11,845,834	2,085,862	9,712,186	-	-	(47,786)	(47,786)
Total Primary Government	$ 130,326,628	$ 2,153,359	$ 12,660,794	$ 5,220,924	(110,243,765)	(47,786)	(110,291,551)
			General Revenues:				
			Taxes:				
			Property taxes		38,089,682		38,089,682
			Motor vehicle taxes		4,283,987		4,283,987
			Utility taxes		6,363,381		6,363,381
			Occupational taxes		9,671,500		9,671,500
			Other		1,201,408		1,201,408
			Investment earnings		994,815	84,474	1,079,289
			State and formula grants		51,852,005		51,852,005
			Miscellaneous		511,219		511,219
			Transfers		(1,830,554)	1,830,554	-
			Total general revenues and transfers		111,137,443	1,915,028	113,052,471
			Change in net position		893,678	1,867,242	2,760,920
			Net position - beginning, as previously reported		64,393,756	9,217,954	73,611,710
			Restatement		2,716,752		2,716,752
			Net position - beginning, as restated		67,110,508	9,217,954	76,328,462
			Net position - ending		$ 68,004,186	$ 11,085,196	$ 79,089,382

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

WARREN COUNTY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2019

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash, cash equivalents and investments	$ 22,505,785	$ 969,729	$ 18,972,081	$ 614,609	$ 43,062,204
Receivables:					
Taxes - current	820,546				820,546
Taxes - delinquent	46,283				46,283
Other receivables	1,140,796	17,500		2,161	1,160,457
Intergovernmental - State		372,346			372,346
Intergovernmental - Indirect Federal	39,911	1,842,733			1,882,644
Intergovernmental - Direct Federal		24,823			24,823
Inventory	345,141				345,141
Prepaids	170,361				170,361
Total Assets	$ 25,068,823	$ 3,227,131	$ 18,972,081	$ 616,770	$ 47,884,805
Liabilities and Fund Balances:					
Liabilities					
Accounts payable	$ 362,641	$ 349,543	$ 3,290,162	$ 4,996	$ 4,007,342
Accrued payroll and related payable	1,284,259				1,284,259
Compensated absences	47,126				47,126
Unearned revenue		1,081,613			1,081,613
Total Liabilities	1,694,026	1,431,156	3,290,162	4,996	6,420,340
Fund Balances					
Nonspendable	515,502				515,502
Restricted		1,795,975	15,681,919	611,774	18,089,668
Committed	2,132,528				2,132,528
Assigned	2,502,700				2,502,700
Unassigned	18,224,067				18,224,067
Total Fund Balances	23,374,797	1,795,975	15,681,919	611,774	41,464,465
Total Liabilities and Fund Balances	$ 25,068,823	$ 3,227,131	$ 18,972,081	$ 616,770	$ 47,884,805

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2019

Total fund balance per fund financial statements	$ 41,464,465
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position.	281,892,294
Governmental funds record debt refundings as other financing uses when the issues are refunded. Unamortized losses on refundings are reported on the statement of net position as deferred outflows of resources.	2,850,663
Governmental funds do not record deferred outflows of resources for pensions and OPEB but those are reported on the statement of net position as deferred outflows of resources.	14,636,548
Governmental funds do not record deferred inflows of resources for pensions and OPEB but those are repored on the statement of net positoin as deferred inflows of resources.	(6,721,425)
Certain liabilities are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net position:	
Bonds payable (net of discounts/premiums)	(178,607,940)
Interest payable	(1,232,344)
Compensated absences	(6,412,897)
Net pension liability - CERS	(35,514,958)
Net OPEB liability - CERS	(10,353,220)
Net OPEB liability - TRS MIF	(33,997,000)
Net position for governmental activities	$ 68,004,186

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Taxes:					
Property	$ 24,278,444	$ -	$ -	$ 13,811,238	$ 38,089,682
Motor vehicle	4,283,987				4,283,987
Utilities	6,363,381				6,363,381
Occupational	9,671,500				9,671,500
Other	1,201,408				1,201,408
Tuition and fees	25,600				25,600
Earnings on investments	645,059	41,943	294,225	13,588	994,815
Other local revenues	429,098	217,283		708,194	1,354,575
Intergovernmental - State	86,074,659	5,907,323		4,975,812	96,957,794
Intergovernmental - Indirect Federal	267,639	9,674,352	245,112		10,187,103
Intergovernmental - Direct Federal		207,728			207,728
Total Revenues	133,240,775	16,048,629	539,337	19,508,832	169,337,573
Expenditures:					
Instruction	81,258,085	14,168,944		640,839	96,067,868
Support services:					
Student	9,792,153	141,716			9,933,869
Instruction staff	3,593,749	46,194		75,469	3,715,412
District administrative	2,265,371				2,265,371
School administrative	8,888,385				8,888,385
Business	3,713,482	58,053			3,771,535
Plant operation and maintenance	15,288,780	216,335			15,505,115
Student transportation	10,325,744	115,818		15,183	10,456,745
Community service activities	118,031	1,304,737			1,422,768
Other non-instruction				16,294	16,294
Facilities acquisition and construction			24,454,052		24,454,052
Bond issuance costs				246,737	246,737
Debt service:					
Principal				12,762,000	12,762,000
Interest				4,834,676	4,834,676
Total Expenditures	135,243,780	16,051,797	24,454,052	18,591,198	194,340,827
Excess (Deficit) of Revenues over Expenditures	(2,003,005)	(3,168)	(23,914,715)	917,634	(25,003,254)
Other Financing Sources (Uses):					
Proceeds from sale of capital assets	7,910				7,910
Insurance proceeds	124,018				124,018
Bond proceeds from revenue bonds				15,165,000	15,165,000
Bond premium				726,935	726,935
Transfers in	1,635,138	299,961	18,001,119	18,376,545	38,312,763
Transfers out	(1,889,168)	(85,220)		(35,722,890)	(37,697,278)
Total Other Financing Sources (Uses)	(122,102)	214,741	18,001,119	(1,454,410)	16,639,348
Net Change in Fund Balances	(2,125,107)	211,573	(5,913,596)	(536,776)	(8,363,906)
Fund Balance, July 1, 2018	25,499,903	1,584,402	21,595,515	1,148,550	49,828,370
Fund Balance, June 30, 2019	$ 23,374,796	$ 1,795,975	$15,681,919	$ 611,774	$ 41,464,464

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

Net change in total fund balances per fund financial statements	$ (8,363,906)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.	16,995,255
The proceeds for the issuance of bonds provide current financial resources and are reported in this fund financial statement but they are presented as liabilities in the statement of net position.	(15,891,935)
Bond payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net position.	12,762,000
In the statement of activities, only the gain (loss) on sale of capital assets is reported, whereas in the governmental funds, the proceeds for the sale increased financial resources.	(193,018)
The difference between actuarial pension and OPEB contributions and actual contributions made are recorded as adjustments in the statement of activities.	(4,361,079)
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.	(53,639)
Change in net position of governmental activities	$ 893,678

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2019

	Food Service Fund	Daycare Fund	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 3,642,260	$ 7,930	$ 3,650,190
Receivables:			
Accounts	35,687		35,687
Intergovernmental - Indirect Federal	829,103		829,103
Inventory	119,952		119,952
Total Current Assets	4,627,002	7,930	4,634,932
Noncurrent Assets			
Depreciable capital assets, net of accumulated depreciation	13,340,643	16,946	13,357,589
Total Noncurrent Assets	13,340,643	16,946	13,357,589
Total Assets	17,967,645	24,876	17,992,521
Deferred Outflows of Resources			
CERS Pension	1,611,927	53,878	1,665,805
CERS OPEB	524,705	17,538	542,243
Total Deferred Outflows of Resources	2,136,632	71,416	2,208,048
Liabilities			
Current Liabilities			
Accounts payable	8,604		8,604
Unearned revenue	69,892		69,892
Total Current Liabilities	78,496	-	78,496
Noncurrent Liabilities			
Net pension liability - CERS	6,152,141	205,634	6,357,775
Net OPEB liability - CERS	1,793,455	59,946	1,853,401
Total Noncurrent Liabilities	7,945,596	265,580	8,211,176
Total Liabilities	8,024,092	265,580	8,289,672
Deferred Inflows of Resources			
CERS Pension	458,582	15,328	473,910
CERS OPEB	340,413	11,378	351,791
Total Deferred Inflows of Resources	798,995	26,706	825,701
Net Position			
Net investment in capital assets	13,340,643	16,946	13,357,589
Unrestricted	(2,059,453)	(212,940)	(2,272,393)
Total Net Position	$ 11,281,190	$ (195,994)	$ 11,085,196

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

Year Ended June 30, 2019

	Food Service Fund	Daycare Fund	Total
Operating Revenues:			
Lunchroom sales	$ 1,902,985	$ -	$ 1,902,985
Tuition and fees		128,998	128,998
Other operating revenues	53,879		53,879
Total Operating Revenues	1,956,864	128,998	2,085,862
Operating Expenses:			
Salaries and wages	5,403,382	39,693	5,443,075
Materials and supplies	5,334,894	11,795	5,346,689
Depreciation	648,964	2,337	651,301
Other operating expenses	395,179	799	395,978
Total Operating Expenses	11,782,419	54,624	11,837,043
Operating income (loss)	(9,825,555)	74,374	(9,751,181)
Non-Operating Revenues (Expenses):			
Federal grants	8,232,282		8,232,282
Donated commodities	463,596		463,596
State on-behalf payments	899,533	27,342	926,875
State grants	89,433		89,433
Loss on disposal of capital assets	(8,791)		(8,791)
Interest income	84,474		84,474
Total Non-Operating Revenues (Expenses) before Transfers and Capital Contributions	9,760,527	27,342	9,787,869
Capital contributions	2,446,039		2,446,039
Transfers in		19,654	19,654
Transfers out	(635,139)		(635,139)
Change in net position	1,745,872	121,370	1,867,242
Net Position, July 1, 2018	9,535,318	(317,364)	9,217,954
Net Position June 30, 2019	$ 11,281,190	$ (195,994)	$ 11,085,196

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2019

	Food Service Fund	Daycare Fund	Total
Cash Flows from Operating Activities			
Cash received from:			
Lunchroom sales	$ 1,897,837	$ -	$ 1,897,837
Other activities	53,879		53,879
Tuition and fees		128,998	128,998
Cash paid to/for:			
Employees	(3,864,351)	(121,686)	(3,986,037)
Supplies	(4,870,342)	(18,237)	(4,888,579)
Other activities	(395,179)	(799)	(395,978)
Net Cash Used by Operating Activities	(7,178,156)	(11,724)	(7,189,880)
Cash flows from Non-Capital Financing Activities			
Federal grants	7,440,865		7,440,865
State grants	89,433		89,433
Transfers in		19,654	19,654
Transfers out	(635,139)		(635,139)
Net Cash Provided by Non-Capital Financing Activities	6,895,159	19,654	6,914,813
Cash Flows from Capital and Related Financing Activities			
Sale of capital assets	1,228		1,228
Purchase of capital assets	(17,169)		(17,169)
Net Cash Used by Capital and Related Financing Activities	(15,941)	-	(15,941)
Cash Flows from Investing Activities			
Receipt of interest income	84,474		84,474
Net Cash Provided by Investing Activities	84,474	-	84,474
Net increase (decrease) in cash and cash equivalents	(214,464)	7,930	(206,534)
Balances, beginning of year	3,856,724	-	3,856,724
Balances, end of year	$ 3,642,260	$ 7,930	$ 3,650,190
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (9,825,555)	$ 74,374	$ (9,751,181)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	648,964	2,337	651,301
State on-behalf payments	899,533	27,342	926,875
Donated commodities	463,596		463,596
GASB 68 pension expense	636,095	4,066	640,161
GASB 75 OPEB expense	3,403	(113,402)	(109,999)
Change in assets and liabilities:			
Accounts receivable	(5,148)		(5,148)
Inventory	7,246		7,246
Accounts payable	(6,290)	(6,441)	(12,731)
Net cash used by operating activities	$ (7,178,156)	$ (11,724)	$ (7,189,880)
Schedule of non-cash transactions:			
Donated commodities received from federal government	$ 463,596	$ -	$ 463,596
State on-behalf payments	$ 899,533	$ 27,342	$ 926,875
CERS pension	$ 636,095	$ 4,066	$ 640,161
CERS OPEB	$ 3,403	$ (113,402)	$ (109,999)

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2019

	Private Purpose Trust Funds	Agency Fund
Assets		
Cash, cash equivalents and investments	$ 342,568	$ 640,590
Receivables		1,004
Total Assets	$ 342,568	$ 641,594
Liabilities		
Accounts payable	$ -	$ 10,682
Due to student groups		630,912
Total Liabilities	-	$ 641,594
Net Position Held in Trust	$ 342,568	

The notes to the financial statements are an integral part of this statement.

WARREN COUNTY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

Year Ended June 30, 2019

	Private Purpose Trust Funds
Additions	
Net interest and investment gains (losses)	$ 17,569
	17,569
Deductions	
Scholarships paid	(14,518)
Change in net position	3,051
Net Position, July 1, 2018	339,517
Net Position, June 30, 2019	$ 342,568

The notes to the financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Warren County School District (the "District") have been prepared to conform with Accounting Principles Generally Accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

The Warren County Board of Education (“Board”), a five-member group, is the level of government, which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Warren County School District. 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.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with GASB 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units", the criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. Applying this definition, District management has determined that the component unit reportable within the accompanying financial statements is the Warren County School District Finance Corporation, (the "Corporation"). The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as Boosters, Parent-Teacher Associations, etc.

Blended Component Unit – Warren County School District Finance Corporation – In a prior year, the Board of Education resolved to authorize the establishment of the Warren 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 Section 58.180) (the "Corporation") as an agency for the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation’s Board of Directors. Therefore, the financial activities of the Corporation have been blended (reported as if it were part of the District) with those of the District. The Corporation does not publish individual component unit financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

Fund Financial Statements

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

The Governmental Funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The Proprietary Funds are accounted for on an "economic resources" measurement focus. Accordingly, the Statement of Revenues, Expenses and Changes in Fund Net Position for the Proprietary Funds reports increases and decreases in total economic net worth. The private purpose trust fund is reported using the economic resources measurement focus.

Governmental Funds

Governmental Funds are those through which most District functions are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in the Proprietary Fund and Fiduciary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

(C) The District Activity Fund is a Special Revenue Fund type and is used to account for funds received at the school level.

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

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the District's facility plan.
2. The Facility Support Program of Kentucky (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.
3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This is a major fund.

(E) The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs; and for the payment of interest on notes payable, as required by Kentucky Law.

Proprietary Funds

Proprietary Funds are used to account for ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. 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. Operating expenses include salaries, benefits, supplies and other items. All items not meeting this definition are reported as nonoperating revenues and expenses. The District has two Proprietary Funds.

(A) The Food Service Fund is used to account for school food service activities, including the National School Lunch and Breakfast Programs, which are conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA and for on-behalf payments for retirement and health insurance paid by the State of Kentucky. This is a major fund.

(B) The Daycare Fund accounts for the daycare operations of the District. Amounts have been recorded for on-behalf payments for retirement and health insurance paid by the State of Kentucky.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District on behalf of outside related organizations or on behalf of other funds within the District.

A. The Agency Fund accounts for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the Uniform Program of Accounting for School Activity Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

B. The Private Purpose Trust Funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments. Revenues consist of donations and interest income. Expenditures represent scholarships.

BASIS OF ACCOUNTING

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

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers all revenues (with the exception of the expenditure-driven grants) as available if they are collected within sixty (60) days after year-end. The expenditure driven grants are considered available if received within one year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at year end when revenue is recognized for taxes received by the District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due/paid.

In applying the susceptible to accrual concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the District will receive any amounts; therefore, revenues are recognized based upon the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources arc reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In all cases, monies received before the revenue recognition criteria have been met are reported as unearned revenue.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Revenue Recognition

State Revenue Sources - Revenues from State sources for current operations are primarily from the Support Education Excellence in Kentucky ("SEEK"), administered by the Kentucky Department of Education ("KDE"). The District files reports on average daily attendance ("ADA") student membership with the KDE. The KDE accumulates information from these reports and calculates the allocation of SEEK funds to the District. After review and verification of ADA reports and supporting documentation, the KDE may adjust subsequent fiscal period allocations of SEEK funding. Normally, such adjustments are treated as reductions of revenue in the year the reduction is made, as amounts are not significant.

Property Taxes - On an accrual basis, property tax revenue anticipated to be collected is recognized in the fiscal year for which it is levied. Delinquent taxes collected in subsequent periods are recognized as revenue during the fiscal year in which they are received.

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

C. BUDGETARY POLICIES

Budgetary Process

Budgetary Basis of Accounting: 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 basis and the GAAP basis 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).

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. All budget appropriations lapse at year-end.

D. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of an applicable appropriation, is utilized for budgetary control purposes. Encumbrances are not the equivalent of expenditures, and accordingly, amounts assigned for encumbrances at the governmental fund level indicate that portion of the fund balance segregated for expenditure upon vendor performance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash equivalents are considered to be demand deposits, money market funds, and other investments with an original maturity of 90 days or less.

F. 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.

G. PREPAID ITEMS

Expenditures for insurance and similar services extending over more than one accounting period are allocated between or among accounting periods in the governmental funds.

H. 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 greater than $5,000 (except for land improvements, buildings and building improvements for which $20,000 is the threshold) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District does not possess any infrastructure. Improvements are capitalized; the cost of, normal maintenance and repairs that do not add to the value of the asset or materially extend an assets' life are not. All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	25-50 years
Technology equipment	5 years
Vehicles	5-10 years
General equipment	5-15 years
Food service equipment	5-12 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

I. LONG-TERM DEBT

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). Debt issuance costs are reported as debt service expenditures. In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Bond premiums/discounts are amortized over the life of the bonds and shown as an offset of bonds payable while deferred amounts on advance refundings are amortized over the shorter of the remaining life of the refunded bonds or the life of the new bonds both in a systematic and rational method, which approximates the effective-interest method and shown as deferred outflows of resources.

J. COMPENSATED ABSENCES

Compensated absences are payments to employees for vacation and accumulated sick leave. 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% 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.

K. ACCOUNTING 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 assets, liabilities, fund balances, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

L. PENSION AND OPEB PLANS

For purposes of measuring the net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System Kentucky (TRS) and County Employees Retirement System (CERS) and additions to/deductions from TRS's and CERS's fiduciary net position have been determined on the same basis as they are reported by TRS 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 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

M. NET POSITION

Net Position – Net position is divided into three components:

1. Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
2. Restricted net position – consist of net position that is restricted by the District's creditors (for example, through debt covenants), by grantors (federal, state and local) and by other contributors.
3. Unrestricted – all other net position is reported in this category.

N. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

Recently Issued And Adopted Accounting Principles

In April 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement is effective for periods beginning after June 15, 2018. The statement was adopted during the fiscal year and did not have an effect on the District's financial statements.

Recently Issued Accounting Pronouncements

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. This statement is effective for periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This statement is effective for periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement is effective for periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This statement is effective for periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In May 2019, the GASB issued Statement 91, *Conduit Debt Obligations*. This statement is effective for periods beginning after December 15, 2020. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

NOTE 2 – PROPERTY TAXES

Property Tax Revenues – Property taxes are normally levied each September on the assessed value listed as of the prior January 1, for all real and personal property in the county. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax bill mailing. Property taxes collected are recorded as revenues in the fiscal year for which they were levied. All taxes collected are initially deposited into the General Fund and then transferred to the appropriate fund. The usual collection date is the period from November 1 through December 31. Property tax bills paid prior to December 1 receive a two percent discount. Property taxes received after December 31, are considered to be delinquent and the County Attorney can file a lien against the property.

The property tax rates assessed for the year ended June 30, 2019, to finance operations were $.456 per $100 valuation for real property, $.456 per $100 valuation for business personal property and $.545 per $100 valuation for motor vehicles. The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the county, of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial and mixed gas. The District also levies an occupational license tax of 0.5%.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities. At June 30, 2019, $51,627,141 of the District's bank balance of $52,030,984 was exposed to custodial credit risk. The bank balance not covered by depository insurance was collateralized by securities held by the pledging financial institution.

Investments

As of June 30, 2019, the District had the following investments and maturities:

Description	Fair Value	Average Credit Quality/Ratings (1)	Mat <1
Money Market Mutual Funds	$ 278,171	AAAm	$ 278,171

(1) Ratings are provided where applicable to indicate associated *Credit Risk*. Ratings are from Moody's Investors Service.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS – CONTINUED

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the District's investing activities are under the custody of the District Finance Director. Investing policies comply with State Statutes. Kentucky Revised Statute 66.480 defines the following items as permissible investments:

- Obligations of the United States and of its agencies and instrumentalities;
- Obligations of any corporation of the United States Government;
- Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency;
- Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;
- Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);
- Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;
- Commercial paper rated in the highest category by a nationally recognized rating agency;
- Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency; and
- Shares of mutual funds, each of which shall have the following characteristics:
    1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
    2. The management company of the investment company shall have been in operation for at least five (5) years; and
    3. All of the securities in the mutual fund shall be eligible investments pursuant to this section.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. **Custodial Credit Risk** is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's repurchase agreement is held by the counterparty in the District's name. No investments are reported at amortized cost. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is a level 1 input.

NOTE 4 – INTERFUND ACTIVITIES

The following transfers were made during the year:

Fund Financial Statements

From Fund	To Fund	Purpose	Amount
General	Special Revenue	Grants	$ 299,961
General	Construction	Construction	726,800
General	Nonmajor Proprietary	Operations	19,654
General	Nonmajor Governmental	Debt Service	842,753
Special Revenue	Nonmajor Governmental	Debt Service	85,220
Nonmajor Governmental	Construction	Construction	17,274,318
Nonmajor Governmental	General	CFT	1,000,000
Nonmajor Governmental	Nonmajor Governmental	Debt Service	17,363,352
Nonmajor Governmental	Nonmajor Governmental	Reimbursement	85,220
Food Service	General	Indirect Costs	635,139

Government-Wide Financial Statements

From Fund	To Fund	Purpose	Amount
Construction	Food Service	Capital Assets	$ 2,466,039
General	Nonmajor Proprietary	Operations	19,654
Food Service	General	Indirect Costs	635,139

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

Governmental Activities	July 1, 2018	Additions	Deductions	June 30, 2019
Capital Assets Not Being Depreciated:				
Land	$ 9,052,809	$ 780,641	$ -	$ 9,833,450
Construction in progress	32,148,017	24,454,053	(22,882,425)	33,719,645
Total Capital Assets Not Being Depreciated	41,200,826	25,234,694	(22,882,425)	43,553,095
Capital Assets Being Depreciated:				
Land improvements	21,016,146	3,055,142		24,071,288
Buildings and improvements	277,402,160	17,313,731	(62,582)	294,653,309
Technology equipment	15,180,178	420,423	(2,602,471)	12,998,130
Vehicles	16,012,630	1,806,990	(104,244)	17,715,376
General equipment	14,807,059	1,934,618	(821,034)	15,920,643
Total Capital Assets Being Depreciated at Historical Cost	344,418,173	24,530,904	(3,590,331)	365,358,746
Accumulated depreciation:				
Land improvements	6,910,248	1,037,520		7,947,768
Buildings and improvements	76,356,720	6,680,777	(2,712)	83,034,785
Technology equipment	14,326,362	443,236	(2,600,448)	12,169,150
Vehicles	14,069,687	709,719	(104,244)	14,675,162
General equipment	8,857,732	1,016,666	(681,716)	9,192,682
Total accumulated depreciation	120,520,749	9,887,918	(3,389,120)	127,019,547
Total Other Capital Assets, net	223,897,424	14,642,986	(201,211)	238,339,199
Governmental Activities Capital Assets - Net	$ 265,098,250	$ 39,877,680	$ (23,083,636)	$ 281,892,294

Depreciation was charged to governmental functions as follows:

Function	Amount
Instruction	$ 7,623,831
Student support	3,313
Instructional staff	31,356
District administration	8,722
School administration	2,981
Business support	13,368
Plant	1,506,542
Transportation	695,747
Community services	2,058
	$ 9,887,918

NOTE 5 - CAPITAL ASSETS – CONTINUED

Business-Type Activities	July 1, 2018	Additions	Deductions	June 30, 2019
Buildings and improvements	$ 15,127,596	$ 2,018,666	$ -	$ 17,146,262
Technology equipment	217,387		(12,572)	204,815
General equipment	4,500,404	444,542	(142,924)	4,802,022
Totals at historical cost	19,845,387	2,463,208	(155,496)	22,153,099
Accumulated depreciation:				
Buildings and improvements	4,767,978	346,770		5,114,748
Technology equipment	177,799	14,774	(12,572)	180,001
General equipment	3,343,909	289,757	(132,905)	3,500,761
Total accumulated depreciation	8,289,686	651,301	(145,477)	8,795,510
Business-Type Activities Capital Assets - Net	$ 11,555,701	$ 1,811,907	$ (10,019)	$ 13,357,589

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions and general liability coverage, the District purchases commercial insurance.

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

NOTE 7 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2019, is as follows:

Description	July 1, 2018	Additions	Reductions	June 30, 2019	Due Within 1 Year
Governmental Activities:					
Bonds Payable:					
Revenue bonds	$172,901,000	$15,165,000	$ (12,762,000)	$ 175,304,000	$ 10,036,000
Add: Premiums/discounts	2,887,203	726,935	(310,198)	3,303,940	
Total Bonds Payable	175,788,203	15,891,935	(12,989,682)	178,690,456	10,036,000
Other Liabilities:					
Compensated absences	6,478,972	654,377	(673,326)	6,460,023	549,850
Total Governmental Activities Long-Term Liabilities	$182,267,175	$16,546,312	$ (13,663,008)	$ 185,150,479	$ 10,585,850

NOTE 7 – LONG-TERM LIABILITIES – CONTINUED

The debt service fund is primarily responsible for paying the bond obligations through funding from the general, capital outlay and FSPK funds. The general fund is primarily responsible for paying compensated absences.

Bond Liabilities

The original amount of each issue, the issue date, interest rates and amount outstanding at June 30, 2019 are summarized below:

Issue Date	Original Proceeds	Rates	Amount Outstanding
2005	$ 15,120,000	3.00% - 4.00%	$ 45,000
2009QZAB	6,096,000	2.09%	2,989,000
2012	4,265,000	1.10% - 2.50%	3,710,000
2012R	5,870,000	1.50% - 2.63%	1,950,000
2012R2	5,080,000	0.40% - 1.75%	2,135,000
2014R	6,390,000	2.00% - 3.00%	3,665,000
2014R2	27,080,000	2.00% - 4.00%	20,575,000
2015	18,465,000	2.00% - 3.50%	16,775,000
2015R	6,235,000	2.00% - 3.00%	4,435,000
2015R2	12,935,000	2.00% - 3.125%	9,935,000
2016	14,395,000	2.00% - 3.25%	13,320,000
2016R	35,855,000	0.50% - 3.00%	31,560,000
2017	21,280,000	2.00% - 3.25%	20,910,000
2018E	28,570,000	3.00% - 3.65%	28,135,000
2019	15,165,000	3.00% - 5.00%	15,165,000
			$ 175,304,000

On May 29, 2019, the District issued $15,165,000 in School Building Revenue Bonds at an average interest rate of 2.92 percent. The net proceeds of $15,645,029 (after $246,737 in issuance costs, ($169) in rounding and $726,935 in premium) were deposited in the Debt Service Fund and then transferred to the Construction Fund.

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Warren 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 “participation agreements” with the Kentucky School Facilities Construction Commission. The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. The 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, 2019, for debt service (principal and interest) are as follows:

NOTE 7 – LONG-TERM LIABILITIES – CONTINUED

Year	Principal	Interest	SFCC Portion	District's Portion
2020	$ 10,036,000	$ 5,324,704	$ 741,627	$ 14,619,077
2021	11,254,000	5,100,514	693,598	15,660,916
2022	11,548,000	4,829,167	693,594	15,683,573
2023	11,576,000	4,492,430	659,254	15,409,176
2024	11,876,000	4,147,172	659,253	15,363,919
2025-2029	57,589,000	14,973,435	3,143,191	69,419,244
2030-2034	38,030,000	7,355,494	1,783,169	43,602,325
2035-2039	23,395,000	1,756,522	1,184,361	23,967,161
	$ 175,304,000	$ 47,979,438	$ 9,558,047	$ 213,725,391

NOTE 8 – PENSION PLANS

Plan Descriptions

The Warren County School District participates in the Teachers' Retirement System of the State of Kentucky (TRS), a component unit of the Commonwealth of Kentucky which includes certified employees and the County Employees' Retirement System (CERS), a component unit of the Commonwealth of Kentucky which includes all other employees, both of which are cost-sharing multiple-employer defined benefit plans. TRS, which qualifies as a special funding situation under GASB 68, and CERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. TRS is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). Under the provisions of KRS Section 61.645, the Board of Trustees of Kentucky Retirement Systems (KERS) administers the CERS. The TRS and CERS issue a publicly available financial reports that include financial statements and required supplementary information. TRS' report may be obtained at www.trs.ky.gov. CERS' report may be obtained at www.kyret.ky.gov.

TRS

Benefits Provided

For Members Before July 1, 2008:

Members become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

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

NOTE 8 – PENSION PLANS – CONTINUED

Participants that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university members with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (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% of their final average salary for each year of service if, upon retirement, their total service 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 2.5% 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 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for members hired on or after that date.

The final average salary is the member's five (5) highest annual salaries except members at least age fifty-five (55) with twenty-seven (27) or more years of service may use their three (3) highest annual salaries. For all members, the annual allowance is reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service. The minimum annual service allowance for all members is $440 multiplied by credited service. The System also provides disability benefits for vested members at the rate of sixty percent (60%) of the final average salary. Cost of living increases are one and one-half percent (1.5%) annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

For Members On or After July 1, 2008:

Members become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, members must either:

1.) Attain age sixty (60) and complete five (5) years of Kentucky service, or
2.) Complete twenty-seven (27) years of Kentucky service, or
3.) Attain age fifty-five (55) and complete ten (10) years of Kentucky service.

The annual retirement allowance for non-university members is equal to: (a) one and seven tenths percent (1.7%) of final average salary for each year of credited service if their service is 10 years or less; (b) two percent (2.0%) of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) two and three tenths percent (2.3%) of final average salary for each year of credited service if their service is greater than 20 years but no more than 26 years; (d) two and one half percent (2.5%) of final average salary for each year of credited service if their service is greater than 26 years but no more than 30 years; (e) three percent (3.0%) of final average salary for years of credited service greater than 30 years.

NOTE 8 – PENSION PLANS – CONTINUED

The annual retirement allowance for university members is equal to: (a) one and one-half percent (1.5%) of final average salary for each year of credited service if their service is 10 years or less; (b) one and seven tenths percent (1.7%) of final average salary for each year of credited service if their service is greater than 10 years but no more than 20 years; (c) one and eighty five hundredths percent (1.85%) of final average salary for each year of credited service if their service is greater than 20 years but less than 27 years; (d) two percent (2.0%) of final average salary for each year of credited service if their service is greater than or equal to 27 years.

The final average salary is the member's five (5) highest annual salaries except members at least age fifty-five (55) with twenty-seven (27) or more years of service may use their three (3) highest annual salaries. For all members, the annual allowance is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

Contributions

Contribution rates are established by Kentucky Revised Statutes. The State contributes 100 percent of school districts' contractually required contributions, which are actuarially determined. Employees are required to contribute 12.855 percent of their annual salary. The school districts' contractually required contribution rate for the year ended June 30, 2018, was 13.105 percent of salaries for members in the plan before July 1, 2008 and 14.105 percent of salaries for members who started their account after June 30, 2008. The District made no contributions to the pension plan for the year ended June 30, 2019. 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.

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

At June 30, 2019, the District reported no net pension liability because it did not have a proportionate share of the net pension liability. There was no amount recognized by the District as its proportionate share of the net pension liability. The related State share of the net pension liability was $249,682,225.

The net pension liability was measured as of June 30, 2018, 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 a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0 percent.

For the year ended June 30, 2019, the District recognized pension expense of negative $30,165,186 and revenue of negative $30,165,186 ($18,091,385 in the governmental funds and negative $48,256,571 in government-wide activities) for support provided by the State. At June 30, 2019, the District reported no deferred outflows of resources and no deferred inflows of resources related to TRS.

NOTE 8 – PENSION PLANS – CONTINUED

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 – 7.30 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

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 two years for males and one year for females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study prepared for the period July 1, 2010 – June 30, 2015, submitted to and adopted by the Board on November 19, 2016.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	40%	4.2%
International Equity	22%	5.2%
Fixed Income	15%	1.2%
Other	8%	3.3%
Real Estate	6%	3.8%
Private Equity	7%	6.3%
Cash	2%	0.9%
	100%	

NOTE 8 – PENSION PLANS – CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. We assumed that Plan member contributions will be made at the current contribution rates and that Employer contributions will be made at the Actuarially Determined Contribution rates, adjusted by 95%, 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. The change in the discount rate from the 4.49% used in the 2017 disclosure reports is considered a change in actuarial assumptions or other inputs under GASB 68.

Sensitivity Of The Net Pension Liability To Changes In The Discount Rate

The District has no proportional share of the net pension liability. The following presents the sensitivity of the System's net pension liability calculated using the discount rate of 7.50 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

Description	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
System's net pension liability (in thousands)	$ 17,595,452	$ 13,726,922	$ 10,472,071

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position, which has been determined on the same basis as that used by the plan, is available in the separately issued TRS financial report. The financial statements are prepared on the accrual basis of accounting. Member contributions and employer matching contributions are recognized in the fiscal year due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

CERS

Benefits Provided

The system provides for retirement, disability, and death benefits to system members. Retirement benefits may be extended to beneficiaries of members under certain circumstances. Prior to July 1, 2009, cost-of-living adjustments (COLA) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. Effective July 1, 2009, and on July 1 of each year thereafter through June 30, 2014, the COLA is limited to 1.5% provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. If the recipient has been receiving a benefit for less than 12 months prior to the effective date of the COLA, the increase shall be reduced on a pro-rata basis for each month the recipient has not been receiving benefits in the 12 months preceding the effective date of the COLA. The Kentucky General Assembly reserves the right to suspend or reduce the COLA if, in its judgment, the welfare of the Commonwealth so demands. No COLA has been granted since July 1, 2011.

NOTE 8 – PENSION PLANS – CONTINUED

Contributions

For the fiscal year ended June 30, 2019, plan members who began participating prior to September 1, 2008, were required to contribute 5% of their annual creditable compensation. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last preceding July 1 of a new biennium. The 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 Board. The school districts' contractually required contribution rate for the year ended June 30, 2019, was 16.22 percent of annual creditable compensation. Contributions to the pension plan from the District were $2,956,797.

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

At June 30, 2019, the District reported a liability of $41,872,733 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2018, the District's proportion was 0.687531 percent, which was an increase of .015731 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $7,048,825. At June 30, 2019, the District reported its proportionate share of the CERS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected		
and actual economic experience	$ 1,365,771	$ 612,929
Changes in actuarial assumptions	4,092,184	
Difference between projected		
and actual investment earnings	1,947,113	2,449,191
Changes in proportion and differences		
between employer contributions		
and proportionate share of contributions	609,237	59,086
Contributions paid to CERS subsequent		
to the measurement date	2,956,797	
	$ 10,971,102	$ 3,121,206

NOTE 8 – PENSION PLANS – CONTINUED

The amount reported as deferred outflows for District contributions subsequent to the measurement date of $2,956,797 will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Pension Expense Amount
2020	$ 3,618,719
2021	1,882,992
2022	(383,873)
2023	(224,739)
	$ 4,893,099

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30 percent
Salary increases	3.05 percent, average, including inflation
Investment rate of return	6.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013 and adopted by the Board on December 4, 2014.

NOTE 8 – PENSION PLANS – CONTINUED

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	5.0%	4.50%
U.S. Mid Cap	6.0%	4.50%
U.S. Small Cap	6.5%	5.50%
International Developed	12.5%	6.50%
Emerging Markets	5.0%	7.25%
Global Bonds	4.0%	3.00%
Global IG Credit	2.0%	3.75%
High Yield	7.0%	5.50%
Emerging Market Debt	5.0%	6.00%
Illiquid Private	10.0%	8.50%
Real Estate	5.0%	9.00%
Absolute Return	10.0%	5.00%
Real Return	10.0%	7.00%
Private Equity	10.0%	6.50%
Cash	2.0%	1.50%
	100%	

Discount Rate

The discount rate used to measure the total pension liability as of the Measurement Date was 6.25%. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 25-year closed amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CERS Comprehensive Annual Financial Report.

NOTE 8 – PENSION PLANS – CONTINUED

Sensitivity Of The District's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

Description	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
District's proportionate share of the net pension liability	$ 52,713,435	$ 41,872,733	$ 32,790,124

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position, which has been determined on the same basis as that used by the plan, is available in the separately issued CERS financial report. The financial statements are prepared on the accrual basis of accounting. Member contributions and employer matching contributions are recognized in the fiscal year due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Descriptions

The Warren County School District participates in the Teachers' Retirement System of the State of Kentucky (TRS), a component unit of the Commonwealth of Kentucky which includes certified employees and the County Employees' Retirement System (CERS), a component unit of the Commonwealth of Kentucky which includes all other employees, both of which are cost-sharing multiple-employer defined benefit plans. TRS, which qualifies as a special funding situation for the Life Insurance Fund under GASB 75, and CERS provide other post-employment benefits to plan members and beneficiaries. TRS is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). Under the provisions of KRS Section 61.645, the Board of Trustees of Kentucky Retirement Systems (KERS) administers the CERS. The TRS and CERS issue a publicly available financial reports that include financial statements and required supplementary information. TRS' report may be obtained at www.trs.ky.gov. CERS' report may be obtained at www.kyret.ky.gov.

TRS

General Information about the 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 www.trs.ky.gov.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

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

Medical Insurance Fund

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

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

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

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

At June 30, 2019, the District reported a liability of $33,997,000 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was .97828 percent, which was a decrease of .00872 percent from its proportion measured as of June 30, 2017.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

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:

Description	Amount
District's proportionate share of the net OPEB liability	$ 33,997,000
State proportionate share of the net OPEB liability associated with the District	29,299,000
Total	$ 60,153,000

For the year ended June 30, 2019, the District recognized OPEB expense of $1,723,000 and revenue of $2,045,000 ($1,504,154 in the governmental funds and an additional $540,846 in government-wide activities) for support provided by the Commonwealth. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	$ 467,000	
Difference between projected and actual economic experience		1,741,000
Difference between projected and actual investment earnings		138,000
Changes in proportion and differences between employer contributions and proportionate share of contributions		$ 230,000
Contributions paid to TRS subsequent to the measurement date	1,835,241	
	$ 2,302,241	$ 2,109,000

Of the total amount reported as deferred outflows of resources related to OPEB, $1,835,241 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ending June 30	OPEB Expense Amount
2020	$ (327,000)
2021	(327,000)
2022	(327,000)
2023	(265,000)
2024	(277,000)
Thereafter	(119,000)
	$ (1,642,000)

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

Actuarial assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial 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 2024
Ages 65 and Older	5.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2021
Medicare Part B Premiums	1.02% for FY 2018 with an ultimate rate of 5.00% by 2030
Municipal Bond Index Rate	3.56%
Discount Rate	8.00%
Single Equivalent Interest Rate	8.00%, net of OPEB plan investment expense, including inflation

Mortality rates were 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 remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2015 valuation.

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
Global Equity	58.0%	4.6%
Fixed Income	9.0%	1.2%
Real Estate	5.5%	3.8%
Private Equity	6.5%	6.3%
Other	20.0%	3.3%
Cash (LIBOR)	1.0%	0.9%
	100.0%	

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

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 assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity Of The District's Proportionate Share Of The Net OPEB Liability To Changes In The Discount Rate

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 8.00%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

Description	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 39,867,000	$ 33,997,000	$ 29,108,000

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

Description	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 28,191,000	$ 33,997,000	$ 41,161,000

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 Fund

Plan description – Life Insurance Fund – TRS administers the life insurance fund 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.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

Benefits provided – TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars 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 Commonwealth.

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

At June 30, 2019, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability was $0 and the Commonwealth's total portion of the net OPEB liability that was associated with the District was $503,000.

For the year ended June 30, 2019, the District recognized OPEB expense of $85,000 and revenue of $85,000 ($17,454 in the governmental funds and an additional $67,546 in government-wide activities) for support provided by the Commonwealth. At June 30, 2019, the District reported no deferred outflows of resources and deferred inflows of resources related to the OPEB.

Actuarial assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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	3.56%
Discount Rate	7.75%
Single Equivalent Interest Rate	7.50%, net of OPEB plan investment expense, including inflation

Mortality rates were 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 remaining actuarial assumptions (e.g. initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

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 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity	40.0%	4.2%
International Equity	23.0%	5.2%
Fixed Income	18.0%	1.2%
Real Estate	6.0%	3.8%
Private Equity	5.0%	6.3%
Other	6.0%	3.3%
Cash (LIBOR)	2.0%	0.9%
	100%	

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 assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity Of The Net OPEB Liability To Changes In The Discount Rate

The District has no proportional share of the net pension liability. The following presents the sensitivity of the System's net pension liability calculated using the discount rate of 7.50 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

Description	1% Decrease	Current Discount Rate	1% Increase
System's net OPEB liability (in thousands)	$ 42,929	$ 28,198	$ 16,114

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

CERS

Plan description – The Kentucky Retirement Systems' Insurance Fund (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. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care 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.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

Benefits provided – For members participating prior to July 1, 2003, KRS pays a percentage of the monthly premium for single coverage based upon the service credit accrued at retirement. Members participating on or after July 1, 2003, and before September 1, 2008, are required to earn at least 10 years of service credit in order to be eligible for insurance benefits at retirement. Members participating on or after September 1, 2008 are required to earn at least 15 years of service credit in order to be eligible for insurance benefits at retirement. The monthly health insurance contribution will be $10 for each year of earned service increased by the CPI prior to July 1, 2009, and by 1.5% annually from July 1, 2009.

Contributions – For the fiscal year ended June 30, 2019, plan members who began participating prior to September 1, 2008, were required to contribute 0% of their annual creditable compensation. Those members who began participating on, or after, September 1, 2008 and before January 1, 2014 were required to contribute 1% of their annual creditable compensation. Those members who began participating on, or after, January 1, 2014 were required to contribute 1% of their annual creditable compensation but their contribution is not credited to their account and is not refundable. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last preceding July 1 of a new biennium. The 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 Board. The school districts' contractually required contribution rate for the year ended June 30, 2019, was 5.26 percent of annual creditable compensation. Contributions to the OPEB plan from the District were $958,863.

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

At June 30, 2019, the District reported a liability of $12,206,621 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of 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 school districts, actuarially determined. At June 30, 2018, the District's proportion was 0.687531 percent, which was an increase of .0015731 percent from its proportion measured as of June 30, 2017.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

For the year ended June 30, 2019, the District recognized OPEB expense of $1,584,280. At June 30, 2019, the District reported its proportionate share of the CERS deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 1,422,520
Changes in actuarial assumptions	2,437,844	28,202
Difference between projected and actual investment earnings		840,797
Changes in proportion and differences between employer contributions and proportionate share of contributions	174,546	25,401
Contributions paid to CERS subsequent to the measurement date	958,863	
	$ 3,571,253	$ 2,316,920

Of the total amount reported as deferred outflows of resources related to OPEB, $958,863 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ending June 30	OPEB Expense Amount
2020	$ 70,445
2021	70,445
2022	70,445
2023	233,742
2024	(79,129)
Thereafter	(70,478)
	$ 295,470

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

Actuarial assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.25%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.05%, average
Inflation rate	2.30%
Real Wage Growth	2.00%
Healthcare Trend Rate:	
Pre-65	Initial trend starting at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.
Post-65	Initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.
Municipal Bond Index Rate	3.62%
Discount Rate	5.88%

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 — June 30, 2013.

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the Systems. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated December 3, 2015. Several factors are considered in evaluating the long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were 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 then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	5.0%	4.50%
U.S. Mid Cap	6.0%	4.50%
U.S. Small Cap	6.5%	5.50%
International Developed	12.5%	6.50%
Emerging Markets	5.0%	7.25%
Global Bonds	4.0%	3.00%
Global IG Credit	2.0%	3.75%
High Yield	7.0%	5.50%
Emerging Market Debt	5.0%	6.00%
Illiquid Private	10.0%	8.50%
Real Estate	5.0%	9.00%
Absolute Return	10.0%	5.00%
Real Return	10.0%	7.00%
Private Equity	10.0%	6.50%
Cash	2.0%	1.50%
	100%	

The projection of cash flows used to determine the discount rate of 5.85% assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 26 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 3.62%, as reported in Fidelity Index's "20 –Year Municipal GO AA Index" as of June 30, 2018. However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CAFR.

Sensitivity Of The District's Proportionate Share Of The Net OPEB Liability To Changes In The Discount Rate

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.85%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.85%) or 1-percentage-point higher (6.85%) than the current rate:

Description	1% Decrease (4.85%)	Current Discount Rate (5.85)	1% Increase (6.85%)
District's proportionate share of the net OPEB liability	$ 15,854,444	$ 12,206,621	$ 9,099,343

NOTE 9 – OTHER POST-EMPLOYMENT BENEFIT PLANS – CONTINUED

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

Description	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 9,087,950	$ 12,206,621	$ 15,882,636

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

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 Plans, 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 who 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 10 – FUND BALANCES

Nonspendable fund balances are those that cannot be spent on future obligations. At June 30, 2019, the General Fund had $170,381 for prepaid items and $345,141 for inventory.

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2019, the District had, $1,795,975 restricted for grants in the Special Revenue Fund, $15,681,919 restricted for capital projects in the Construction Fund, $523,599 restricted for school activities in the District Activity Fund, $85,640 restricted for capital projects in the FSPK Fund and $2,535 restricted for debt service in the Debt Service Fund.

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which, for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The District had $948,912 committed for site-based carryover, $511,546 for compensated absences and $672,070 for future construction in the General Fund.

NOTE 10 – FUND BALANCES – CONTINUED

Assigned fund balances are those amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The Board of Education allows program supervisors to complete purchase orders which result in the encumbrance of funds. Assigned for purchase orders in the General Fund at June 30, 2019 were $2,502,700. Assigned fund balance also includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose. The District had no other assigned fund balance at June 30, 2019.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The District considers unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Also, the District has established the order of assigned, committed and restricted when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

The District is subject to various other legal actions in various stages of litigation, the outcome of which is not determinable at this time. Management of the District and its legal counsel do not anticipate that there will be any material effect on the basic financial statements as a result of the cases presently in progress.

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 ongoing construction commitments at June 30, 2019.

NOTE 12 – DEFICIT OPERATING BALANCES

The Daycare Fund had deficit net position at June 30, 2019 in the amount of $195,994. The deficit net position is a result of the recording of the net pension and net OPEB liabilities for CERS.

The following funds had operations that resulted in a current year deficit of revenues over expenditures resulting in a corresponding reduction of fund balance/net position:

Fund	Amount
General Fund	$ 2,125,106
Construction Fund	5,913,596
District Activity Fund	9,709
SEEK Capital Outlay Fund	596,412
Debt Service Fund	16,295

NOTE 13 – ON-BEHALF PAYMENTS

The District receives on-behalf payments from the Commonwealth of Kentucky for items including pension, OPEB, technology, health care costs, operating costs and debt service. The amounts received and funds where these items were recorded for the fiscal year ended June 30, 2019 were as follows:

Description	Amount
Health	$ 15,323,206
Life	24,382
Admin	201,146
HRA	777,383
TRS Pension	18,091,385
TRS OPEB	1,521,608
Technology	197,695
Debt Service	741,664
Less: Federal Reimbursement	(894,669)
Total on-behalf	$ 35,983,800
Recorded as follows:	
General Fund	$ 34,315,261
Food Service Fund	899,533
Daycare Fund	27,342
Debt Service Fund	741,664
	$ 35,983,800

NOTE 14 – PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2019, the District made restatements to its governmental activities for bond related items as follows:

Description	Amount
Governmental Activities	
Net Position, July 1, 2018	$ 64,393,756
Deferred Amount on Debt Refundings	2,716,752
Restated Net Position, July 1, 2018	$ 67,110,508

REQUIRED SUPPLEMENTARY INFORMATION

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2019

	Original	Final	Actual
Revenues:			
From local sources:			
Taxes:			
Property	$ 21,650,142	$ 24,470,930	$ 24,278,444
Motor vehicle	3,757,512	3,908,566	4,283,987
Utilities	5,956,402	6,000,000	6,363,381
Occupational	9,275,150	9,600,000	9,671,500
Other	1,024,000	1,024,500	1,201,408
Tuition and fees	51,500	21,500	25,600
Earnings on investments	179,966	456,000	645,059
Other local revenues	314,000	334,500	429,098
Intergovernmental - State	72,365,149	82,526,973	86,074,659
Intergovernmental - Indirect Federal	150,000	110,000	267,639
Total Revenues	114,723,821	128,452,969	133,240,775
Expenditures:			
Instruction	72,540,739	82,000,964	81,258,085
Support services:			
Student	8,602,091	9,841,444	9,792,153
Instruction staff	3,325,851	3,575,621	3,593,749
District administrative	2,086,356	2,270,588	2,265,371
School administrative	8,498,482	9,343,296	8,888,385
Business	3,578,044	3,792,531	3,713,482
Plant operation and maintenance	17,270,395	16,280,503	15,288,780
Student transportation	9,228,932	10,421,506	10,325,744
Community service activities		10,389	118,031
Facilities acquisition and construction		1,075,000	
Other non-instruction	13,192,792	14,064,443	
Total Expenditures	138,323,682	152,676,285	135,243,780
Excess (Deficit) of Revenues over Expenditures	(23,599,861)	(24,223,316)	(2,003,005)
Other Financing Sources (Uses):			
Proceeds from sale of capital assets	15,000	5,000	7,910
Insurance proceeds			124,018
Transfers in	502,299	624,079	1,635,138
Transfers out	(286,000)	(286,000)	(1,889,168)
Total Other Financing Sources (Uses)	231,299	343,079	(122,102)
Net Change in Fund Balance	(23,368,562)	(23,880,237)	(2,125,107)
Fund Balance, July 1, 2018	23,368,562	23,880,237	25,499,903
Fund Balance, June 30, 2019	$ -	$ -	$ 23,374,796

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

SPECIAL REVENUE FUND

Year Ended June 30, 2019

	Original	Final	Actual
Revenues:			
Earnings on investments	$ 543	$ 543	$ 41,943
Other local revenues		102,116	217,283
Intergovernmental - State	4,716,456	5,253,314	5,907,323
Intergovernmental - Indirect Federal	7,972,967	9,303,060	9,674,352
Intergovernmental - Direct Federal			207,728
Total Revenues	12,689,966	14,659,033	16,048,629
Expenditures:			
Instruction	11,719,925	13,469,295	14,168,944
Support services:			
Student			141,716
Instruction staff			46,194
Business			58,053
Plant operation and maintenance			216,335
Student transportation	128,400	114,417	115,818
Community service activities	1,072,397	1,277,443	1,304,737
Total Expenditures	12,920,722	14,861,155	16,051,797
Excess (Deficit) of Revenues over Expenditures	(230,756)	(202,122)	(3,168)
Other Financing Sources (Uses):			
Transfers in	286,000	286,000	299,961
Transfers out	(55,244)	(85,220)	(85,220)
Total Other Financing Sources (Uses)	230,756	200,780	214,741
Net Change in Fund Balance	-	(1,342)	211,573
Fund Balance, July 1, 2018	-	1,342	1,584,402
Fund Balance, June 30, 2019	$ -	$ -	$ 1,795,975

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET PENSION LIABILITY

June 30, 2019

Last 10 Years *

	2019	2018	2017
Proportion of the net pension liability	0.687531%	0.671800%	0.676100%
Proportionate share of the net pension liability	$ 41,872,733	$ 39,321,056	$ 33,286,339
Covered - employee payroll	$ 17,397,251	$ 18,321,766	$ 17,785,235
Proportionate share of the net pension liability as percentage of covered payroll	240.7%	214.6%	187.2%
Plan fiduciary net position as a percentage of the total pension liability	53.54%	53.30%	55.50%

	2016	2015
Proportion of the net pension liability	0.662300%	0.659800%
Proportionate share of the net pension liability	$ 28,477,069	$ 21,406,024
Covered - employee payroll	$ 16,639,872	$ 16,223,095
Proportionate share of the net pension liability as percentage of covered payroll	171.1%	131.9%
Plan fiduciary net position as a percentage of the total pension liability	59.97%	66.80%

* Fiscal year 2015 was the first year of implementation, therefore, only five years are shown.

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET OPEB LIABILITY

June 30, 2019

Last 10 Years *

	2019	2018
Proportion of the net OPEB liability	0.687531%	0.671800%
Proportionate share of the net OPEB liability	$ 12,206,621	$ 13,507,975
Covered - employee payroll	$ 17,397,251	$ 18,321,766
Proportionate share of the net OPEB liability as percentage of covered payroll	70.16%	73.73%
Plan fiduciary net position as a percentage of the total OPEB liability	59.00%	59.00%

* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE TRS NET PENSION LIABILITY

June 30, 2019

Last 10 Years *

	2019	2018	2017
Proportion of the net pension liability	1.906800%	1.880600%	1.853100%
Proportionate share of the net pension liability	$ 249,682,225	$ 507,432,630	$ 546,664,730
Covered - employee payroll	$ 58,277,591	$ 56,208,579	$ 55,562,888
Proportionate share of the net pension liability as percentage of covered payroll	428.4%	902.8%	983.9%
Plan fiduciary net position as a percentage of the total pension liability	53.54%	53.30%	55.50%

	2016	2015
Proportion of the net pension liability	1.790700%	1.678200%
Proportionate share of the net pension liability	$ 416,700,596	$ 344,848,397
Covered - employee payroll	$ 52,800,486	$ 51,203,951
Proportionate share of the net pension liability as percentage of covered payroll	789.2%	673.5%
Plan fiduciary net position as a percentage of the total pension liability	59.97%	66.80%

* Fiscal year 2015 was the first year of implementation, therefore, only five years are shown.

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE TRS NET OPEB LIABILITY
- MEDICAL INSURANCE FUND

June 30, 2019

Last 10 Years *

	2019	2018
Proportion of the net OPEB liability	0.979828%	0.987000%
District's proportionate share of the net OPEB liability	$ 33,997,000	$ 35,209,000
State proportionate share of the net OPEB liability associated with the District	29,299,000	28,761,000
Total	$ 60,153,000	$ 61,559,000
Covered - employee payroll	$ 58,277,591	$ 56,208,579
District's proportionate share of the net OPEB liability as percentage of covered payroll	58.34%	62.64%
Plan fiduciary net position as a percentage of the total OPEB liability	25.50%	21.20%

* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

WARRENCOUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE TRS NET OPEB LIABILITY - LIFE INSURANCE FUND

June 30, 2019

Last 10 Years *

	2019	2018
Proportion of the net OPEB liability	1.782679%	1.753210%
District's proportionate share of the net OPEB liability	$ -	$ -
State proportionate share of the net OPEB liability associated with the District	503,000	385,000
Total	$ 503,000	$ 385,000
Covered - employee payroll	$ 58,277,591	$ 56,208,579
District's proportionate share of the net OPEB liability as percentage of covered payroll	0.0%	0.0%
Plan fiduciary net position as a percentage of the total OPEB liability	75.00%	80.00%

* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS TO CERS PENSION

June 30, 2019

Last 10 Years *

	2019	2018	2017
Contractually required contribution (actuarially determined)	$ 2,956,797	$ 2,519,122	$ 2,555,866
Contribution in relation to the actuarially determined contributions	2,956,797	2,519,122	2,555,866
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employee payroll	$ 18,229,329	$ 17,397,251	$ 18,321,766
Contributions as a percentage of covered employee payroll	16.22%	14.48%	13.95%

	2016	2015
Contractually require contribution (actuarially determined)	$ 2,208,926	$ 2,121,584
Contribution in relation to the actuarially determined contributions	2,208,926	2,121,584
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 17,785,235	$ 16,639,872
Contributions as a percentage of covered employee payroll	12.42%	12.75%

* Fiscal year 2015 was the first year of implementation, therefore, only five years are shown.

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS TO TRS PENSION

June 30, 2019

Last 10 Years *

	2019	2018	2017
Contractually required contribution (actuarially determined)	$ -	$ -	$ -
Contribution in relation to the actuarially determined contributions	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employee payroll	$ 61,174,707	$ 58,277,591	$ 56,208,579
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%

	2016	2015
Contractually required contribution (actuarially determined)	$ -	$ -
Contribution in relation to the actuarially determined contributions	-	-
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 55,262,888	$ 52,800,486
Contributions as a percentage of covered employee payroll	0.00%	0.00%

* Fiscal year 2015 was the first year of implementation, therefore, only five years are shown.

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS TO CERS OPEB

June 30, 2019

Last 10 Years *

	2019	2018
Contractually required contribution (actuarially determined)	$ 958,863	$ 817,671
Contribution in relation to the actuarially determined contributions	958,863	817,671
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 18,229,329	$ 17,397,251
Contributions as a percentage of covered employee payroll	5.26%	4.70%

* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS TO TRS OPEB - MEDICAL INSURANCE FUND

June 30, 2019

Last 10 Years *

	2019	2018
Contractually required contribution (actuarially determined)	$ 1,835,241	$ 1,748,328
Contribution in relation to the actuarially determined contributions	1,835,241	1,748,328
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 61,174,707	$ 58,277,591
Contributions as a percentage of covered employee payroll	3.00%	3.00%

* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS TO TRS OPEB - LIFE INSURANCE FUND

June 30, 2019

Last 10 Years *

	2019	2018
Contractually required contribution (actuarially determined)	$ -	$ -
Contribution in relation to the actuarially determined contributions	-	-
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 61,174,707	$ 58,277,591
Contributions as a percentage of covered employee payroll	0.00%	0.00%

* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

CERS PENSION

Changes of benefit terms. There were no changes in benefit terms for 2015 through 2019.

Changes of assumptions (as of June 30 of the year measurement date):

2014 – The assumed investment rate of return was decreased from 7.75% to7.50%. The assumed rate of inflation was reduced from 3.50% to 3.25%. The assumed rate of wage inflation was reduced from 1.00% to 0.75%. Payroll growth assumption was reduced from 4.50% to 4.00%. The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted. The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2015 and 2016 – No changes.

2017 – The assumed investment return was changed from 7.50% to 6.25%. The price inflation assumption was changed from 3.25% to 2.30%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service. The payroll growth assumption (applicable for the amortization unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%.

2018 – No changes.

TRS PENSION

Changes of benefit terms. There were no changes in benefit terms for 2015 through 2019.

Changes of assumptions (as of June 30 of the year measurement date):

In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2011. In the 2011 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2011 valuation, the Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions. Beginning with the 2014 valuation, the interest smoothing methodology is no longer used. In 2014, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.16% to 5.23%. In 2015, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.23% to 4.88%. In the 2016 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2016 valuation, the Assumed Salary Scale, Price Inflation, and Wage Inflation were adjusted to reflect a decrease. In addition, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.88% to 4.20%. In 2017, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.20% to 4.49%. In 2018, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.49% to 7.50%.

CERS OPEB

Changes of benefit terms. There were no changes in benefit terms for 2018 to 2019.

Changes of assumptions (as of June 30 of the year measurement date):

2017 – The assumed investment return was changed from 7.50% to 6.25%. The price inflation assumption was changed from 3.25% to 2.30%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service. The payroll growth assumption (applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%. For the Non-Hazardous Plan, the single discount rate changed from 6.89% to 5.84%. For the Hazardous Plan, the single discount rate changed from 7.37% to 5.96%.

2018 – No changes.

TRS OPEB

Changes of benefit terms.

2018

MIF – With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the State will only finance, via its KEHP "shared responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

LIF – None

2019 – No changes for MIF or LIF

Changes of assumptions (as of June 30 of the year measurement date):

The MIF had no changes for 2017 and updated the health care trend rates for 2018. There were no changes in assumptions for 2017 or 2018 for the LIF.

SUPPLEMENTARY INFORMATION

WARREN COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

	District Activity Fund	SEEK Capital Outlay Fund	FSPK Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Assets:					
Cash, cash equivalents and investments	$ 526,434	$ -	$ 85,640	$ 2,535	$ 614,609
Receivables	2,161				2,161
Total Assets	$ 528,595	$ -	$ 85,640	$ 2,535	$ 616,770
Liabilities and Fund Balances:					
Liabilities					
Accounts payable	$ 4,996	$ -	$ -	$ -	$ 4,996
Total Liabilities	4,996	-	-	-	4,996
Fund Balances					
Restricted	523,599		85,640	2,535	611,774
Total Fund Balances	523,599	-	85,640	2,535	611,774
Total Liabilities and Fund Balances	$ 528,595	$ -	$ 85,640	$ 2,535	$ 616,770

WARREN COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2019

	District Activity Fund	SEEK Capital Outlay Fund	FSPK Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues					
From local sources:					
Taxes:					
Property	$ -	$ -	$ 13,811,238	$ -	$ 13,811,238
Other local revenue	708,194				708,194
Earnings on investments	13,588				13,588
Intergovernmental - State		1,439,148	2,795,000	741,664	4,975,812
Total Revenues	721,782	1,439,148	16,606,238	741,664	19,508,832
Expenditures					
Instruction	640,839				640,839
Support services:					
Instruction staff	75,469				75,469
Student transportation	15,183				15,183
Bond issue costs				246,737	246,737
Debt service:					
Principal				12,762,000	12,762,000
Interest				4,834,676	4,834,676
Other				16,294	16,294
Total Expenditures	731,491	-	-	17,859,707	18,591,198
Excess (Deficit) of Revenues over Expenditures	(9,709)	1,439,148	16,606,238	(17,118,043)	917,634
Other Financing Sources (Uses)					
Bond proceeds from refunding bonds				15,165,000	15,165,000
Bond premium				726,935	726,935
Transfers in		593,560	842,753	16,940,232	18,376,545
Transfers out		(2,629,120)	(17,363,351)	(15,730,419)	(35,722,890)
Total Other Financing Sources (Uses)	-	(2,035,560)	(16,520,598)	17,101,748	(1,454,410)
Net Change in Fund Balances	(9,709)	(596,412)	85,640	(16,295)	(536,776)
Fund balance, July 1, 2018	533,308	596,412	-	18,830	1,148,550
Fund balance, June 30, 2019	$ 523,599	$ -	$ 85,640	$ 2,535	$ 611,774

WARREN COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS

June 30, 2019

	Alvaton Elementary	Briarwood Elementary	Bristow Elementary	Cumberland Trace Elementary	Jennings Creek Elementary
Assets					
Cash and cash equivalents	$ 4,062	$ 4,157	$ 4,414	$ 352	$ 4,851
Receivables		15			
Total Assets	$ 4,062	$ 4,172	$ 4,414	$ 352	$ 4,851
Liabilities					
Accounts payable	$ -	$ -	$ -	$ 59	$ -
Due to student groups	4,062	4,172	4,414	293	4,851
Total Liabilities	$ 4,062	$ 4,172	$ 4,414	$ 352	$ 4,851

	Jody Richards Elementary	Lost River Elementary	North Warren Elementary	Oakland Elementary	Plano Elementary
Assets					
Cash and cash equivalents	$ 499	$ 5,142	$ 3,977	$ 2,835	$ 935
Receivables	20	900			
Total Assets	$ 519	$ 6,042	$ 3,977	$ 2,835	$ 935
Liabilities					
Accounts payable	$ -	$ -	$ 464	$ -	$ -
Due to student groups	519	6,042	3,513	2,835	935
Total Liabilities	$ 519	$ 6,042	$ 3,977	$ 2,835	$ 935

	Rich Pond Elementary	Richardsville Elementary	Rockfield Elementary	Warren Elementary	William H. Natcher Elementary
Assets					
Cash and cash equivalents	$ 10,896	$ 17,585	$ 1,929	$ 10,203	$ 365
Receivables		31		38	
Total Assets	$ 10,896	$ 17,616	$ 1,929	$ 10,241	$ 365
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to student groups	10,896	17,616	1,929	10,241	365
Total Liabilities	$ 10,896	$ 17,616	$ 1,929	$ 10,241	$ 365

WARREN COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CONTINUED

AGENCY FUNDS

June 30, 2019

	Drakes Creek Middle	Henry F. Moss Middle	South Warren Middle	Warren East Middle	Greenwood High
Assets					
Cash and cash equivalents	$ 47,264	$ 10,567	$ 44,952	$ 17,218	$ 127,376
Receivables					
Total Assets	$ 47,264	$ 10,567	$ 44,952	$ 17,218	$ 127,376
Liabilities					
Accounts payable	$ 3,290	$ -	$ 2,923	$ 3,946	$ -
Due to student groups	43,974	10,567	42,029	13,272	127,376
Total Liabilities	$ 47,264	$ 10,567	$ 44,952	$ 17,218	$ 127,376

	South Warren High	Warren Central High	Warren East High	GEO International High	Total Agency Fund
Assets					
Cash and cash equivalents	$ 187,957	$ 76,775	$ 51,370	$ 4,909	$ 640,590
Receivables					1,004
Total Assets	$ 187,957	$ 76,775	$ 51,370	$ 4,909	$ 641,594
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ 10,682
Due to student groups	187,957	76,775	51,370	4,909	630,912
Total Liabilities	$ 187,957	$ 76,775	$ 51,370	$ 4,909	$ 641,594

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

AGENCY FUNDS

YEAR ENDED JUNE 30, 2019

SCHOOL	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
Alvaton Elementary	$ 5,891	$ 61,111	$ 62,940	$ 4,062	$ -	$ -	$ 4,062
Briarwood Elementary	3,407	26,594	25,844	4,157	15	-	4,172
Bristow Elementary	4,431	4,573	4,590	4,414	-	-	4,414
Cumberland Trace Elementary	229	282	159	352	-	59	293
Jennings Creek Elementary	-	8,591	3,740	4,851	-	-	4,851
Jody Richards Elementary	1,141	3,092	3,734	499	20	-	519
Lost River Elementary	5,992	3,249	4,099	5,142	900	-	6,042
North Warren Elementary	3,250	7,543	6,816	3,977	-	464	3,513
Oakland Elementary	2,660	1,757	1,582	2,835	-	-	2,835
Plano Elementary	469	1,907	1,441	935	-	-	935
Rich Pond Elementary	10,157	11,845	11,106	10,896	-	-	10,896
Richardsville Elementary	14,152	43,497	40,064	17,585	31	-	17,616
Rockfield Elementary	328	1,896	295	1,929	-	-	1,929
Warren Elementary	9,838	613	248	10,203	38	-	10,241
William H. Natcher Elementary	738	623	996	365	-	-	365
Drakes Creek Middle	37,090	149,027	138,853	47,264	-	3,290	43,974
Henry F. Moss Middle	5,030	68,416	62,879	10,567	-	-	10,567
South Warren Middle	36,379	74,034	65,461	44,952	-	2,923	42,029
Warren East Middle	16,683	32,276	31,741	17,218	-	3,946	13,272
Greenwood High	136,115	360,019	368,758	127,376	-	-	127,376
South Warren High	154,969	440,793	407,805	187,957	-	-	187,957
Warren Central High	45,478	224,439	193,142	76,775	-	-	76,775
Warren East High	64,165	294,440	307,235	51,370	-	-	51,370
GEO International High	2,134	5,824	3,049	4,909	-	-	4,909
	$ 560,726	$1,826,441	$ 1,746,577	$ 640,590	$ 1,004	$ 10,682	$ 630,912

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

GREENWOOD HIGH SCHOOL

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
General Fund	$ 149	$ 3,178	$ 973	$ 2,354	$ -	$ -	$ 2,354
Due to Student Body	47	-	-	47	-	-	47
Interest Income	1,357	3,177	4,534	-	-	-	-
Cash on Hand	-	-	-	-	-	-	-
ACT Book Account	-	-	-	-	-	-	-
AP Test	2	-	-	2	-	-	2
Bookstore	-	-	-	-	-	-	-
Co-op	448	-	-	448	-	-	448
Credit Recovery	-	-	-	-	-	-	-
Faculty Vending	311	2,878	2,318	871	-	-	871
Field Trips	-	-	-	-	-	-	-
Musical	9,948	53,207	62,094	1,061	-	-	1,061
Parking Tickets	-	-	-	-	-	-	-
PBIS	48	1,501	1,514	35	-	-	35
Prom	10,817	11,808	7,783	14,842	-	-	14,842
Student Council	6,172	12,230	8,843	9,559	-	-	9,559
Student Fees	-	-	-	-	-	-	-
Student Vending	179	1,111	561	729	-	-	729
Textbooks	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Yearbooks	3,175	495	608	3,062	-	-	3,062
Action Team Club	-	-	-	-	-	-	-
GHS Gator Action Club	1,187	945	750	1,382	-	-	1,382
Anthology Club	-		-	-	-	-	-
Archery	479	-	165	314	-	-	314
Art Club	1,075	954	344	1,685	-	-	1,685
Band Club	240	-	-	240	-	-	240
BETA Club	167	-	166	1	-	-	1
Black History	-		-	-	-	-	-
Chess Club	92	661	380	373	-	-	373
Choir Club	9,831	20,950	30,579	202	-	-	202
Computer Club	-	-	-	-	-	-	-
Design Club	-	-	-	-	-	-	-
Drama Club	5,639	562	6,182	19	-	-	19
Fashion Club	-	-	-	-	-	-	-
FBLA Club	5,904	14,498	13,230	7,172	-	-	7,172
FCA Club	257	645	623	279	-	-	279
FCCLA Club	1,890	8,168	7,402	2,656	-	-	2,656
FEA Club	116	-	-	116	-	-	116
FFA Club	6,324	63,121	61,271	8,174	-	-	8,174
Friends Club	978	-	-	978	-	-	978
GAPP Club	62	-	-	62	-	-	62
Gay-Straight Alliance	53	82	20	115	-	-	115
GHS Forensics Club	-	1,480	324	1,156	-	-	1,156
HOSA Club	728	1,243	1,108	863	-	-	863
International Club	505	1,803	1,387	921	-	-	921
Invisible Children Club	-	-	-	-	-	-	-
Jr. BETA Club	-	-	-	-	-	-	-
Key Club	368	458	255	571	-	-	571
Literature Club	-	70	-	70	-	-	70
NHS Club	1,623	4,454	4,220	1,857	-	-	1,857
Natural Helpers	-		-	-	-	-	-
OAR Club	880	20,560	20,014	1,426	-	-	1,426
Orchestra	1,152	1,152	1,654	650	-	-	650
GHS Outdoors Club	1,140	8,560	9,020	680	-	-	680
PEP Club	-	-	-	-	-	-	-
Philosophy Club	-	-	-	-	-	-	-
Poetry Slam Club	-	-	-	-	-	-	-
PRIDE Club	-	-	-	-	-	-	-
SADD PRIDE Club	-	-	-	-	-	-	-
SADD Club	715	1,175	679	1,211	-	-	1,211
S.C.E.C. Club	84	-	-	84	-	-	84
Science Club	201	1,695	1,637	259	-	-	259
Spanish Club	1,190	-	360	830	-	-	830
Speech Club	-	-	-	-	-	-	-
STLP Club	594	1,243	498	1,339	-	-	1,339
Student Ambassadors	-	1,113	-	1,113	-	-	1,113
TARS Club	-	-	-	-			-

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

GREENWOOD HIGH SCHOOL - CONTINUED

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
YADS	-	-	-	-			-
YELP Club	273	-	-	273	-	-	273
Athletic Camps	-	-	-	-			-
Athletic Director	-	-	-	-			-
Athletic Special	4,427	13,162	13,750	3,839	-	-	3,839
Baseball	1,139	4,956	6,095	-	-	-	-
Baseball - District Tourn	-	-	-	-			-
All District Baseball	-	-	-	-			-
Basketball - Boys	8,981	15,482	21,263	3,200	-	-	3,200
Basketball District Tourn	2,159	1,452	3,611	-	-	-	-
Basketball - Girls	7,612	8,392	12,804	3,200	-	-	3,200
Bass Fishing	-	1,350	413	937			937
Bowling - Boys	-	2,094	1,394	700	-	-	700
Bowling - Girls	-	1,548	848	700	-	-	700
Bowling Regional Tourn	938	-	938	-	-	-	-
Cheerleading	-	4,997	4,997	-	-	-	-
Cross Country - Boys	109	1,982	1,091	1,000	-	-	1,000
Cross Country - Girls	109	1,872	981	1,000	-	-	1,000
Dance Team	-	-	-	-			-
Football	15,049	23,129	21,045	17,133	-	-	17,133
Football Playoffs	839	1,513	2,352	-	-	-	-
Region 3 Boys Golf	2,164	3,200	2,951	2,413	-	-	2,413
Golf - Boys	-	2,000	1,000	1,000	-	-	1,000
Golf - Girls	-	1,997	997	1,000	-	-	1,000
Hall of Fame	682	-	321	361	-	-	361
Lacrosse	-	-	-	-			-
Rivals Bowl	-	-	-	-			-
Soccer - Boys	326	9,383	7,309	2,400	-	-	2,400
Soccer - Girls	3,274	5,606	6,480	2,400	-	-	2,400
Girls District Soccer	1,002	-	382	620	-	-	620
Softball	2,011	5,055	3,642	3,424	-	-	3,424
Swimming - Boys	186	85	271	-	-	-	-
Swimming - Girls	186	109	295	-	-	-	-
Tennis - Boys	-	886	886	-	-	-	-
Tennis - Girls	-	775	775	-			-
Track - Boys	-	1,230	1,230	-	-	-	-
Track - Girls	-	1,412	1,412	-	-	-	-
Volleyball	2,136	9,079	8,815	2,400	-	-	2,400
Art Dept.	-	-	-	-			-
English Dept.	-	-	-	-			-
ESL	-	-	-	-			-
Family Consumer Science	-	-	-	-			-
Guidance Dept.	15	56	-	71	-	-	71
JROTC Dept	4,166	20,477	21,181	3,462	-	-	3,462
JROTC Spec. Dept	-	60	60	-			-
Library Dept	-	-	-	-			-
Math Dept	550	-	-	550	-	-	550
Newspaper Dept	-	360	360	-	-	-	-
Physical Ed. Dept	-	3,190	304	2,886			2,886
Photography Dept	160	125	221	64	-	-	64
Science Dept	400	46	134	312	-	-	312
Social Studies Dept	332	420	507	245	-	-	245
Special Educ. Dept	-	-	-	-			-
Voc. Ag. Dept	98	-	-	98	-	-	98
FRYSC Donations	665	2,526	1,311	1,880			1,880
Target - Donations	-	-	-	-	-	-	-
Sub Total	136,115	395,183	403,922	127,376	-	-	127,376
Interfund Transfers	-	35,164	35,164	-	-	-	-
TOTAL	$ 136,115	$ 360,019	$ 368,758	$ 127,376	$ -	$ -	$ 127,376

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

SOUTH WARREN HIGH SCHOOL

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
General Fund	$ 5,730	$ 6,835	$ 217	$ 12,348	$ -	$ -	$ 12,348
Due to Student Body	-	-	-	-	-	-	-
Interest Income	-	4,409	4,409	-	-	-	-
Cash on Hand	-	-	-	-	-	-	-
AP Test	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-
Dance	1,000	1,150	1,400	750	-	-	750
Environmental Club	-	1,741	1,123	618	-	-	618
Faculty Vending	862	280	838	304	-	-	304
Musical	37,044	63,505	50,134	50,415	-	-	50,415
Novel Star	-	-	-	-	-	-	-
PBIS	-	-	-	-	-	-	-
Prom	5,208	9,817	9,561	5,464	-	-	5,464
Science Trips	99	12,475	11,866	708	-	-	708
Senior Trips	-	2,500	2,235	265	-	-	265
Student Ambassador	540	32	-	572	-	-	572
Student Council	3,187	15,876	15,114	3,949	-	-	3,949
Student Vending	3,105	5,413	4,415	4,103	-	-	4,103
Sunshine Fund	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-
Trainer	-	1,360	-	1,360	-	-	1,360
Yearbooks	-	-	-	-	-	-	-
Academic Team Club	2,099	8,625	8,034	2,690	-	-	2,690
Art Club	1,921	1,909	1,271	2,559	-	-	2,559
Band Club	-	-	-	-	-	-	-
BETA Club	1,279	19,113	16,634	3,758	-	-	3,758
Book Club	114	80	-	194	-	-	194
Chess Club	155	75	91	139	-	-	139
Choir Club	2,563	15,380	12,799	5,144	-	-	5,144
Club 14:23	-	-	-	-	-	-	-
Diversity Club	15	-	-	15	-	-	15
Drama Club	245	-	-	245	-	-	245
Dungeons & Dragons Club	-	430	322	108	-	-	108
Emergency Fire Explorers	-	-	-	-	-	-	-
Equality Club	144	3,259	3,190	213	-	-	213
Fashion Club	5,430	6,662	9,632	2,460	-	-	2,460
FBLA Club	233	9,466	9,336	363	-	-	363
FCA Club	545	215	-	760	-	-	760
FCCLA Club	813	3,554	3,724	643	-	-	643
FEA Club	-	-	-	-	-	-	-
FFA Club	6,081	18,502	16,087	8,496	-	-	8,496
History Club	6,253	25,700	28,459	3,494	-	-	3,494
International Club	-	-	-	-	-	-	-
Jr. BETA Club	-	-	-	-	-	-	-
KEY Club	13	240	126	127	-	-	127
Kentucky Youth Assembly	273	485	400	358	-	-	358
Lacrosse Club	60	540	-	600	-	-	600
National Art Honor Society	27	50	-	77	-	-	77
NHS Club	355	-	355	-	-	-	-
Natural Helpers	-	-	-	-	-	-	-
Orchestra	674	1,415	1,998	91	-	-	91
Quidditch Club	-	-	-	-	-	-	-
Ping Pong Club	-	-	-	-	-	-	-
SCEC Club	1,612	700	1,176	1,136	-	-	1,136
Science Club	2,958	913	1,552	2,319	-	-	2,319
Spanish Club	2,111	1,301	1,112	2,300	-	-	2,300
Spartan Stations	395	1,431	983	843	-	-	843
Spear-It	412	3,842	4,153	101	-	-	101
Speech Club	-	-	-	-	-	-	-
STLP Club	1,299	3,720	4,050	969	-	-	969
TARS Club	429	10	-	439	-	-	439
Young Democrats Club	-	-	-	-	-	-	-
Athletic Special	8,656	25,510	27,905	6,261	-	-	6,261
Baseball	3,140	4,448	6,843	745	-	-	745
Bass Fishing	-	6,675	6,248	427	-	-	427
Basketball - Boys	2,945	11,400	7,562	6,783	-	-	6,783
Basketball - Girls	1,677	9,375	6,752	4,300	-	-	4,300
Bowling - Boys	695	3,786	2,964	1,517	-	-	1,517

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

SOUTH WARREN HIGH SCHOOL - CONTINUED

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
Bowling - Girls	803	3,130	2,714	1,219	-	-	1,219
Cheerleading	551	2,005	1,272	1,284	-	-	1,284
Cross Country	2,257	2,250	2,250	2,257	-	-	2,257
Football	20,206	45,666	47,103	18,769	-	-	18,769
Fourth Region AD	2,254	1,275	1,123	2,406	-	-	2,406
Golf - Boys	1,209	1,181	1,190	1,200	-	-	1,200
Golf - Girls	1,212	1,576	2,624	164	-	-	164
Girls Lacrosse	-	665	-	665	-	-	665
Regionals	51	49,828	49,034	845	-	-	845
Soccer - Boys	199	5,688	5,471	416	-	-	416
Soccer - Girls	54	2,132	1,665	521	-	-	521
Softball	2,105	7,817	5,487	4,435	-	-	4,435
Swimming	1,224	228	452	1,000	-	-	1,000
Tennis - Boys	400	375	297	478	-	-	478
Tennis - Girls	400	1,066	1,072	394	-	-	394
Track	2,014	1,858	1,642	2,230	-	-	2,230
Volleyball	1,799	2,818	2,754	1,863	-	-	1,863
Family Consumer Science	328	360	573	115	-	-	115
Food Science	131		99	32	-	-	32
GAT Dept.	632	2,520	2,197	955	-	-	955
Guidance Dept.	1,084	-	320	764	-	-	764
Library Dept	-	-	-	-	-	-	-
Math Dept	-	-	-	-	-	-	-
Science Dept	-	-	-	-	-	-	-
The Spartan Spoon	1,070	5,002	4,915	1,157	-	-	1,157
Voc. Ag. Dept.	2,590	16,477	15,809	3,258	-	-	3,258
Odysey of the Mind Team	-	-	-	-	-	-	-
District Sweep Acct.	-	-	-	-	-	-	-
Sub Total	154,969	468,121	435,133	187,957	-	-	187,957
Interfund Transfers	-	27,328	27,328	-	-	-	-
TOTAL	$ 154,969	$ 440,793	$ 407,805	$ 187,957	$ -	$ -	$ 187,957

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

WARREN CENTRAL HIGH SCHOOL

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
General Fund	$ 737	$ 7,122	$ 7,577	$ 282	$ -	$ -	$ 282
Due to Student Body	-	-	-	-	-	-	-
Interest Income	-	1,393	1,393	-	-	-	-
Cash on Hand	-	-	-	-	-	-	-
AP Test	184	3,591	1,917	1,858	-	-	1,858
Bookstore	-	-	-	-	-	-	-
Co-op	-	-	-	-	-	-	-
Europe Trip	-	-	-	-	-	-	-
Facility Rental	-	-	-	-	-	-	-
Faculty Vending	477	1,619	2,043	53	-	-	53
Field Trips	1	-	-	1	-	-	1
KYCID	400	-	-	400	-	-	400
PBIS	117	-	-	117	-	-	117
Prom	5,120	7,385	4,818	7,687	-	-	7,687
Fall Formal	-	-	-	-	-	-	-
Relay for Life	-	-	-	-	-	-	-
Student Council	116	-	-	116	-	-	116
Student Vending	-	74	-	74	-	-	74
Sunshine Fund	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-
WC College Academy	-	-	-	-	-	-	-
Yearbooks	-	-	-	-	-	-	-
Academic Team Club	94	-	-	94	-	-	94
Afro American Club	-	-	-	-	-	-	-
Band Club	212	1,660	1,700	172	-	-	172
BETA Club	2,487	9,516	9,308	2,695	-	-	2,695
Biology Club	161	-	-	161	-	-	161
Bosnian American Club	-	-	-	-	-	-	-
Chemistry Club	503	35	-	538	-	-	538
Chess Club	44	3	-	47	-	-	47
Computer Club	-	-	-	-	-	-	-
Dance	-	684	408	276	-	-	276
Drama Club	145	205	150	200	-	-	200
Energy Club	-	7,557	3,177	4,380	-	-	4,380
FBLA Club	5	1,195	1,200	-	-	-	-
FCA Club	504	845	1,343	6	-	-	6
FCCLA Club	1,201	2,929	2,344	1,786	-	-	1,786
FCCLA Region 4	-	-	-	-	-	-	-
FFA Club	3,284	21,405	19,662	5,027	-	-	5,027
Barren River Regional FFA	-	-	-	-	-	-	-
French Club	-	-	-	-	-	-	-
Friends of Rachel Club	-	-	-	-	-	-	-
Glee Club	-	-	-	-	-	-	-
Japanese Club	-	-	-	-	-	-	-
KY Jr. Historical Club	-	-	-	-	-	-	-
Literary Club	-	-	-	-	-	-	-
National Scholastic Sportsman	-	-	-	-	-	-	-
Physics Un-Club	727	-	-	727	-	-	727
Power Lifting Club	-	-	-	-	-	-	-
Quidditch Club	-	-	-	-	-	-	-
SADD Club	-	30	30	-	-	-	-
SCEC Club	190	-	-	190	-	-	190
Spanish Club	278	1,564	1,004	838	-	-	838
Speech and Debate Team	-	-	-	-	-	-	-
STLP Club	1,049	119	119	1,049	-	-	1,049
Strings	135	168	273	30	-	-	30
Why-Try?	-	-	-	-	-	-	-
Writer's Ink Club	483	-	200	283	-	-	283
Young Democrats	-	-	-	-	-	-	-
Young Men of Distinction	-	-	-	-	-	-	-
Young Republicans	184	2,180	1,710	654	-	-	654
Athletics Hall of Fame	325	1,295	1,050	570	-	-	570
Athletics Special	427	29,903	24,706	5,624	-	-	5,624
Baseball	531	3,499	2,855	1,175	-	-	1,175
Basketball - Boys	4,063	43,647	39,072	8,638	-	-	8,638
Basketball - Girls	723	11,278	8,616	3,385	-	-	3,385
Bass Fishing	-	-	-	-	-	-	-
Bowling - Boys	127	-	24	103	-	-	103

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

WARREN CENTRAL HIGH SCHOOL - CONTINUED

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
Bowling - Girls	136	-	55	81	-	-	81
Cheerleading	1,725	268	1,993	-	-	-	-
Cross Country	-	-	-	-	-	-	-
E-SPORTS	-	1,462	1,103	359	-	-	359
Football	6,135	24,197	28,251	2,081	-	-	2,081
Golf	-	-	-	-	-	-	-
Rivals Bowl	-	-	-	-	-	-	-
Soccer - Boys	2,136	2,995	2,305	2,826	-	-	2,826
Soccer - Girls	2,014	11,605	10,850	2,769	-	-	2,769
Softball	-	6,140	1,775	4,365	-	-	4,365
Tennis - Boys	1	-	-	1	-	-	1
Tennis - Girls	1	797	100	698	-	-	698
Track	575	627	919	283	-	-	283
Volleyball	492	2,244	2,532	204	-	-	204
Art Club	107	159	-	266	-	-	266
Family Consumer Science	-	-	-	-	-	-	-
Freshman Academy Dept	-	-	-	-	-	-	-
Global Learning Acad	171	-	-	171	-	-	171
Health Dept	-	-	-	-	-	-	-
JROTC Dept.	6,213	24,737	18,064	12,886	-	-	12,886
Library Dept	-	-	-	-	-	-	-
Music Dept.	565	117	306	376	-	-	376
Voc. Ag. Dept	-	-	-	-	-	-	-
Habitat for Humanity	173	-	-	173	-	-	173
Renaissance - Donations	-	-	-	-	-	-	-
Target - Donations	-	-	-	-	-	-	-
Sub Total	45,478	236,249	204,952	76,775	-	-	76,775
Interfund Transfers	-	11,810	11,810	-	-	-	-
TOTAL	$ 45,478	$ 224,439	$ 193,142	$ 76,775	$ -	$ -	$ 76,775

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

WARREN EAST HIGH SCHOOL

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
General Fund	$ 12,612	$ 1,485	$ 5,819	$ 8,278	$ -	$ -	$ 8,278
Due to Student Body	449	-	449	-	-	-	-
Interest Income	956	1,608	2,564	-	-	-	-
Cash on Hand	-	-	-	-	-	-	-
AP Test	215	-	-	215	-	-	215
APEX	-	-	-	-	-	-	-
Costa Rica Trip	-	-	-	-	-	-	-
Enrichment	-	-	-	-	-	-	-
Faculty Vending	929	1,258	1,383	804	-	-	804
Field Trips	110	-	-	110	-	-	110
Flower Fund	-	-	-	-	-	-	-
Jesse "Sean" Ingram	-	-	-	-	-	-	-
Musical	7,915	23,282	21,212	9,985	-	-	9,985
Novel Star	-	-	-	-	-	-	-
PBIS	3,444	7,755	8,253	2,946	-	-	2,946
Smart Cards	-	-	-	-	-	-	-
Student Rewards	-	-	-	-	-	-	-
Student Government	893	-	-	893	-	-	893
Textbooks	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
WKU Graduation Video	-	-	-	-	-	-	-
Yearbooks	30	-	30	-	-	-	-
Academic Team Club	725	-	200	525	-	-	525
Afro American Club	-	-	-	-	-	-	-
Archery Club	115	-	115	-	-	-	-
Art Club	28	1,198	1,166	60	-	-	60
Arts & Humanities Club	-	-	-	-	-	-	-
Band Club	-	85	-	85	-	-	85
BETA Club	995	5,780	5,833	942	-	-	942
CEC Club	166	42	60	148	-	-	148
Choir Club	685	589	1,024	250	-	-	250
Conservation Club	324	13	64	273	-	-	273
Warren East Conservation	13	-	13	-	-	-	-
EUROPE 2019	-	1,349	1,349	-	-	-	-
FBLA Club	1,507	4,080	2,974	2,613	-	-	2,613
FCA Club	316	223	444	95	-	-	95
FCCLA Club	1,066	5,182	5,373	875	-	-	875
FEA Club	-	-	-	-	-	-	-
FFA Club	2,860	49,147	48,771	3,236	-	-	3,236
International Club	-	-	-	-	-	-	-
Jr. BETA Club	-	-	-	-	-	-	-
KEY Club	-	-	-	-	-	-	-
Kentucky Youth Assembly	-	-	-	-	-	-	-
Math Club	961	-	740	221	-	-	221
NHS Club	283	1,170	827	626	-	-	626
PEP Club	884	635	1,335	184	-	-	184
PRIDE Club	183	-	-	183	-	-	183
Raider Graffiti	157	-	157	-	-	-	-
Science Club	858	505	663	700	-	-	700
STLP Club	-	-	-	-	-	-	-
TSA Club	-	-	-	-	-	-	-
Y Club	871	8,628	9,345	154	-	-	154
Athletic Camps	-	-	-	-	-	-	-
Athletics Special	1,801	10,356	8,453	3,704	-	-	3,704
Athletic Uniforms	-	-	-	-	-	-	-
Baseball	768	4,749	5,517	-	-	-	-
Tournament	-	20,414	20,414	-	-	-	-
Basketball - Boys	-	8,131	7,975	156	-	-	156
Basketball - Freshman Dist	-	-	-	-	-	-	-
Basketball - Girls	1,349	16,303	17,652	-	-	-	-
Bass Fishing	114	11	125	-	-	-	-
Bowling - Boys	163	5,572	5,593	142	-	-	142
Bowling - Girls	-	-	-	-	-	-	-
Cheerleading	986	1,335	1,158	1,163	-	-	1,163
Cross Country	-	149	149	-	-	-	-
Disc Golf	-	-	-	-	-	-	-
Drill Team	-	-	-	-	-	-	-
Football	3,336	20,546	20,577	3,305	-	-	3,305

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

WARREN EAST HIGH SCHOOL - CONTINUED

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
Football Playoffs	-	1,732	1,732	-	-	-	-
Golf	-	135	135	-	-	-	-
Regional Basketball	-	36,786	36,786	-	-	-	-
Soccer - Boys	1,316	2,267	3,163	420	-	-	420
Soccer - Boys District	-	-	-	-	-	-	-
Soccer - Girls	2,810	1,806	3,584	1,032	-	-	1,032
Softball	17	5,939	5,956	-	-	-	-
Softball - 4th Region	-	11,341	11,341	-	-	-	-
Tennis	523	-	205	318	-	-	318
Track	-	800	794	6	-	-	6
Volleyball	1,001	3,290	3,931	360	-	-	360
Volleyball - District Tourn	-	-	-	-	-	-	-
Class Officers	-	-	-	-	-	-	-
Class of 2009	-	-	-	-	-	-	-
Class of 2010	-	-	-	-	-	-	-
Class of 2011	-	-	-	-	-	-	-
Class of 2012	-	-	-	-	-	-	-
Class of 2013	-	-	-	-	-	-	-
Class of 2014	-	-	-	-	-	-	-
Class of 2015	-	-	-	-	-	-	-
Class of 2016	-	-	-	-	-	-	-
Class of 2017	-	-	-	-	-	-	-
Class of 2018	-	-	-	-	-	-	-
Class of 2019	6,191	15,516	21,707	-	-	-	-
Class of 2020	-	7,990	2,209	5,781	-	-	5,781
Business Dept	-	-	-	-	-	-	-
Drama Dept	-	-	-	-	-	-	-
Freshman Academy Dept	-	-	-	-	-	-	-
GAT Dept.	6	660	601	65	-	-	65
Global Learning Academy	-	-	-	-	-	-	-
Horticulture Dept	-	-	-	-	-	-	-
JROTC Dept.	3,234	19,041	21,758	517	-	-	517
Language Arts Dept	-	-	-	-	-	-	-
Library Dept.	-	-	-	-	-	-	-
Science Dept	-	-	-	-	-	-	-
Special Educ. Dept	-	-	-	-	-	-	-
Speech Dept	-		-	-	-	-	-
Renaissance	-	-	-	-	-	-	-
Sub Total	64,165	308,883	321,678	51,370	-	-	51,370
Interfund Transfers	-	14,443	14,443	-	-	-	-
TOTAL	$ 64,165	$ 294,440	$ 307,235	$ 51,370	$ -	$ -	$ 51,370

WARREN COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

GEO INTERNATIONAL HIGH SCHOOL

YEAR ENDED JUNE 30, 2019

NAME OF ACTIVITY	CASH BALANCES July 1, 2018	RECEIPTS	DISBURSE-MENTS	CASH BALANCES June 30, 2019	RECEIVABLES June 30, 2019	ACCOUNTS PAYABLE June 30, 2019	DUE TO STUDENT GROUPS June 30, 2019
General Fund	$ 302	$ 3,111	$ 419	$ 2,994	$ -	$ -	$ 2,994
Due to Student Body	2	-	-	2	-	-	2
Interest Income	28	74	102	-	-	-	-
Field Trips	-	-	-	-	-	-	-
Yearbooks	146	720	632	234	-	-	234
Archery	-	75	-	75	-	-	75
BETA Club	488	875	900	463	-	-	463
Soccer	1,168	975	1,052	1,091	-	-	1,091
Volleyball	-	67	45	22	-	-	22
Sub Total	2,134	5,897	3,150	4,881	-	-	4,881
Interfund Transfers	-	73	73	-	-	-	-
TOTAL	$ 2,134	$ 5,824	$ 3,077	$ 4,881	$ -	$ -	$ 4,881

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

WARREN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster -			
Passed Through State Department of Education:			
National School Lunch	10.555	7750002-18	$ 1,212,703
		7750002-19	4,570,889
School Breakfast Program	10.553	7760005-18	494,165
		7760005-19	1,873,784
Summer Food Service Program for Children	10.559	7690024-18	6,844
		7740023-18	28,035
		7740023-19	45,862
Non-Cash Assistance (Commodities)			
National School Lunch Program	10.555	057502-02	463,596
TOTAL CHILD NUTRITION CLUSTER			8,695,878
TOTAL U.S. DEPT. OF AGRICULTURE			8,695,878
U.S. DEPARTMENT OF DEFENSE			
Jr. ROTC	12.000	504CC	4,062
		504E	197,647
			201,709
TOTAL U.S. DEPT. OF DEFENSE			201,709
U.S. DEPARTMENT OF EDUCATION			
Special Education Cluster -			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	337CC	168,579
		337CP	7,407
		337D	549,329
		337DC	404,544
		337DP	19,363
		337E	1,540,636
		337EC	39,304
		337EP	29,877
			2,759,039
Special Education - Preschool Grants	84.173	343D	7,832
		343E	4,240
			12,072
TOTAL SPECIAL EDUCATION CLUSTER			2,771,111
OTHER U.S. DEPARTMENT OF EDUCATION PROGRAMS			
Passed Through State Department of Education			
Adult Education - Basic Grants to States	84.002	371E	11,910
Title I Grants to Local Educational Agencies	84.010	310CM	19,684
		310D	1,036,108
		310DM	30,209
		310DP	7,934
		310DX	909,368
		310E	2,613,925
		310EM	44,781
		310EP	12,797
		310EX	351,420
		314D	1,248
		314E	44,947
			5,072,421
Migrant Education - State Grant Program	84.011	311D	74,384
		311E	82,779
			157,163
Title I State Agency Program for Neglected and Delinquent Children	84.013	313D	7,369
		313E	10,199
			17,568

The accompanying notes are an integral part of this schedule.

WARREN COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONCLUDED
YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
Career and Technical Education - Basic Grants to States	84.048	348D	15,048
		349DA	5,386
		348E	153,387
		348X	(167)
			173,654
English Language Acquisition State Grants	84.365	345CI	7,917
		345D	102,182
		345DI	16,710
		345E	232,405
			359,214
Supporting Effective Instruction - State Grants	84.367	401C	54,639
		401CX	46,164
		401D	140,095
		401DX	144,970
		401E	23,825
		401EP	500
		401EX	2,729
			412,922
Striving Readers	84.371C	466E	240,084
		466EX	241,332
			481,416
Student Support and Academic Enrichment	84.424	552DSD	50,508
		552DT	11,594
		552DW	8,576
		552ET	12,387
		552EW	41,291
			124,356
TOTAL U.S. DEPARTMENT OF EDUCATION			9,581,735
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through State Department of Education:			
Refugee and Entrant Assistance - Discretionary Grants	93.576	420D	28,950
		420E	63,668
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			92,618
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 18,571,940

The accompanying notes are an integral part of this schedule.

WARREN COUNTY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Warren County School District under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Warren County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Warren County School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting for proprietary funds and the modified accrual basis of accounting for governmental funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received.

NOTE D – INDIRECT COST RATE

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

NOTE E – SUBRECIPIENTS

There were no subrecipients during the fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WARREN COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued (unmodified):

Internal control over financial reporting:

- Material weakness(es) identified? ___X__yes _____no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____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 that are not considered to be material weakness(es)? _____yes ___X__none reported

Type of auditor's report issued on compliance for major programs (unmodified):

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____yes ___X__no

Identification of major programs:

CFDA Number	Federal Program or Cluster
	DEPARTMENT OF AGRICULTURE
10.553/10.555/10.559	Child Nutrition Cluster
	DEPARTMENT OF EDUCATION
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish Between type A and type B programs: $___750,000

Auditee qualified as low-risk auditee? _____yes __X___no

Section II – Financial Statement Findings

REFERENCE NUMBER 2019-001 RESTATEMENTS

Criteria: The District's management is responsible for establishing and maintaining internal controls for the proper recording of all the District's accounting transactions.

Condition: As part of the audit, we proposed material restatement adjustments to the financial statements for deferred amount on debt refundings.

Cause: The District did not identify items to be corrected.

Effect: The design of the internal controls identifying adjustments did not prevent material adjustments.

Recommendation: We recommend District management and financial personnel review the procedures and processes involved in recording journal entries and enhance its internal control policies to ensure proper recording of these items.

Views of Responsible Officials and Planned Corrective Actions: The District relied upon and collaborated with the prior audit group in accounting for the finding above. My team was under the impression that we were in compliance and had reassurance from the prior accounting firm that was true as there were no audit findings and they reviewed our calculations and journal entries. To correct this WCPS has discussed this topic with the current auditor extensively and will make adjustments to our accounting going forward.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

WARREN COUNTY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2019

There were no prior year audit findings.

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

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

Kentucky State Committee for School District Audits
Members of the Board of Education
Warren County School District
Bowling Green, Kentucky

We have audited, in accordance with the 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 requirements prescribed by the Kentucky State Committee for School District Audits 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 Warren County School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Warren County School District's basic financial statements, and have issued our report thereon dated November 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered WARREN County School District's internal control over financial reporting (internal control) to determine the audit that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs at item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren County School 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in the *Independent Auditor's Contract.*

We noted certain matters that we reported to management of Warren County School District in a separate letter dated November 7, 2019.

Warren County School District's Response to Findings

Warren County School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Warren County School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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.



Stiles, Carter & Associates, CPAs, P.S.C.
Elizabethtown, Kentucky
November 7, 2019

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

CHRIS R. CARTER, CPA
ANN M. FISHER, CPA
SCOTT KISSELBAUGH, CPA
PHILIP A. LOGSDON, CPA
BRIAN S. WOOSLEY, CPA

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

Kentucky State Committee for School District Audits
Members of the Board of Education
Warren County School District
Bowling Green, Kentucky

Report on Compliance for Each Major Federal Program

We have audited Warren County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Warren County School District's major federal programs for the year ended June 30, 2019. Warren County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Warren County School 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 requirements prescribed by the Kentucky State Committee for School District Audits in Appendices I and II of 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 Warren County School 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 of Warren County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Warren County School District complied, in all material respects, with the 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, 2019.

Report on Internal Control Over Compliance

Management of Warren County School 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 Warren County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major 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 Warren County School 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 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.



Stiles, Carter & Associates, CPAs, P.S.C.
Elizabethtown, Kentucky
November 7, 2019

MANAGEMENT LETTER AND COMMENTS

CHRIS R. CARTER, CPA
ANN M. FISHER, CPA
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Kentucky State Committee for School District Audits
Members of the Board of Education of
Warren County School District
Bowling Green, Kentucky

In planning and performing our audit of the basic financial statements of Warren County School District for the year ended June 30, 2019, 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 internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. Any uncorrected comments from the prior year have been included in the memorandum. A separate report dated November 7, 2019, contains our report on the District's internal control. This letter does not affect our report dated November 7, 2019, on the financial statements of the Warren County School District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and their implementation is currently being reviewed. 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 Warren 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.

Stiles, Carter & Associates, CPAs, PSC

Stiles, Carter & Associates, CPAs, P.S.C.
Elizabethtown, Kentucky
November 7, 2019

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WARREN COUNTY SCHOOL DISTRICT

COMMENTS

June 30, 2019

UNCORRECTED PRIOR YEAR COMMENTS – NONE

CURRENT YEAR COMMENTS

CHILD CARE PROGRAM
The District maintains a child care program. We noted that, for the 2018-2019 school year, attendance records were not kept. We recommend that daily attendance records be completed and reviewed by management.

MANAGEMENT RESPONSE
The District will evaluate this program and, if continued, will formulate procedures to ensure document compliance, records retention, and internal audit review. To ensure proper documentation is being maintained the internal auditor visited the Child Care Center and viewed the current records, and noted that the proper records were being maintained.

FEDERAL PROGRAMS
The District's policies and procedures were in accordance with state requirements but should be expanded to include the federal requirements.

MANAGEMENT RESPONSE

The district acknowledges the need to incorporate the federal requirements into our internal control procedures. The district will collaborate with our auditors to ensure proper written procedures are in place going forward.

UNRECORDED RECEIVABLE
As part of the audit we proposed an adjustment to the financial statements for an unrecorded utility tax receivable.

MANAGEMENT RESPONSE

The district acknowledges that the audit firm proposed and the district accepted the entry. In the future, this will be added to a list of year-end adjustments to be made and should not be an issue for next year.

CUMBERLAND TRACE ELEMENTARY SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report (F-SA-15A) was completed and approved on 9/06/2019 for the 2018-2019 fiscal year. Redbook requires that the Annual Financial Report be approved and submitted to the board by July 25th.

MANAGEMENT RESPONSE

Many of our school bookkeepers do not work a full year 260 day contract. As a result of this, the district will work with the schools to ensure that this due date is being fulfilled in the future. The district will incorporate the due dates of all reports to each bookkeeper to ensure they are being informed and reminded of various deadlines. In addition, the Finance Team has created a Google Calendar with all the pertinent deadlines and invited everyone in the District to add that calendar.

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the PTA did not have an annual External Support/Booster Organization Budget Worksheet (F-SA-4B) on file for the 2018-2019 fiscal year. Redbook requires that all booster clubs submit an annual External Support/Booster Organization Budget Worksheet to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group.

MANAGEMENT RESPONSE

The district will discuss booster club findings at future Redbook Trainings. The district will incorporate the due dates of all reports to each bookkeeper to ensure they are being informed and reminded of various deadlines. In addition, the Finance Team has created a Google Calendar with all the pertinent deadlines and invited everyone in the District to add that calendar.

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the Annual Financial Report that was submitted by the PTA for the 2018-2019 fiscal year did not list revenues and expenditures by category. Redbook states that the annual financial report shall contain, at a minimum, cash beginning balance, cash ending balance, and revenues and expenditures by category (i.e. admission revenues, concession revenues, items for resale, supplies).

MANAGEMENT RESPONSE

The district will discuss booster club findings at future Redbook Trainings. Furthermore, the district will show examples of what is expected on these forms and how to maintain compliance with Redbook.

JENNINGS CREEK ELEMENTARY SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report (F-SA-15A) that was completed on 9/13/2019 for the 2018-2019 fiscal year was not signed as being approved by the school's principal or signed by the school's bookkeeper. Redbook requires that the Annual Financial Report be approved and submitted to the board by July 25th.

MANAGEMENT RESPONSE

Many of our school bookkeepers do not work a full year 260 day contract. As a result of this the district will work with the schools to ensure that this due date is being fulfilled in the future. The district will incorporate the due dates of all reports to each bookkeeper to ensure they are being informed and reminded of various deadlines. In addition, the Finance Team has created a Google Calendar with all the pertinent deadlines and invited everyone in the District to add that calendar.

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the PTO did not have the following documentation on file for the 2018-2019 fiscal year: (1) an annual External Support/Booster Organization Budget Worksheet (F-SA-4B) or (2) proof of liability insurance coverage. Redbook requires that all booster clubs submit an annual External Support/Booster Organization Budget Worksheet to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group. Redbook also requires that all booster clubs submit a proof of general liability insurance for each school year the club is active.

MANAGEMENT RESPONSE

The district will discuss booster club findings at future Redbook Trainings. Furthermore, the district will show examples of what is expected on these forms and how to maintain compliance with Redbook and when those are due.

DEPOSITS

We noted that there was no documentation on file for the deposits made on 5/08/2019 in the amount of $300.00. We were able to determine which fund the funds were deposited into by reviewing the monthly Receipt History File that was on file with each months' Bank Reconciliation.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This bookkeeper has been counseled on this compliance issue and will be closely monitored by the district moving forward.

JODY RICHARDS ELEMENTARY SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report (F-SA-15A) was completed and approved on 8/28/2019 for the 2018-2019 fiscal year. Redbook requires that the Annual Financial Report be approved and submitted to the board by July 25th.

MANAGEMENT RESPONSE

Many of our school bookkeepers do not work a full year 260 day contract. As a result of this the district will work with the schools to ensure that this due date is being fulfilled in the future. The district will incorporate the due dates of all reports to each bookkeeper to ensure they are being informed and reminded of various deadlines. In addition, the Finance Team has created a Google Calendar with all the pertinent deadlines and invited everyone in the District to add that calendar.

LOST RIVER ELEMENTARY SCHOOL

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the PTO did not have the following documentation on file for the 2018-2019 fiscal year: (1) an Annual Financial Report, (2) an annual External Support/Booster Organization Budget Worksheet (F-SA-4B), (3) proof of liability insurance coverage, or (4) their Employer Identification Number. Redbook requires that all booster clubs submit an Annual Financial Report for the fiscal year to the principal by July 25 and an annual External Support/Booster Organization Budget Worksheet to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group. Redbook also requires that all booster clubs submit a proof of general liability insurance for each school year the club is active and obtain its own Federal Employer Identification Number specifically and only for its use.

MANAGEMENT RESPONSE

The district will discuss booster club findings at future Redbook Trainings. Furthermore, the district will show examples of what is expected on these forms and how to maintain compliance with Redbook and when those are due.

RICHARDSVILLE ELEMENTARY SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report (F-SA-15A) that was prepared on 9/26/2019 for the 2018-2019 fiscal year was not signed as being approved by the school's principal. Redbook requires that the Annual Financial Report be approved and submitted to the board by July 25th.

Many of our school bookkeepers do not work a full year 260 day contract. As a result of this the district will work with the schools to ensure that this due date is being fulfilled in the future. The district will incorporate the due dates of all reports to each bookkeeper to ensure they are being informed and reminded of various deadlines. In addition, the Finance Team has created a Google Calendar with all the pertinent deadlines and invited everyone in the District to add that calendar.

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the PTO did not have the following documentation on file for the 2018-2019 fiscal year: (1) an Annual Financial Report, (2) an annual External Support/Booster Organization Budget Worksheet (F-SA-4B), (3) list of officers (4) proof of liability insurance coverage, or (5) their Employer Identification Number. Redbook requires that all booster clubs submit an Annual Financial Report for the fiscal year to the principal by July 25 and an annual External Support/Booster Organization Budget Worksheet and the names of the organization's officers to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group. Redbook also requires that all booster clubs submit a proof of general liability insurance for each school year the club is active and obtain its own Federal Employer Identification Number specifically and only for its use.

MANAGEMENT RESPONSE

The district will discuss booster club findings at future Redbook Trainings. Furthermore, the district will show examples of what is expected on these forms and how to maintain compliance with Redbook and when those are due.

WARREN ELEMENTARY SCHOOL

NEGATIVE BALANCE

We noted during review of the Annual Financial Report that the STLP Club account ended the 2018-2019 fiscal year with a balance of ($6.80). Redbook states that if an activity account ends the year with a negative balance (after taking receivable and accounts payable into consideration), the general activity account must cover the deficit by June 30.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This bookkeeper has been counseled on this compliance issue and will be closely monitored by the district moving forward.

DRAKES CREEK MIDDLE SCHOOL

CASH ADVANCES

We noted that check #7003, dated 1/11/2019, in the amount of $1,100.00 was a cash advance for the Beta Club convention. However, there was not an Expense Report (F-SA-9) on file for this cash advance. We noted that the supporting documentation that was on file supported that all the cash advance was spent and there was no return change due to the activity fund. Redbook requires that the Expense Report, related receipts, other supporting documentation, and unused cash be returned by the close of the next business day after the trip.

We noted that check #6917, dated 10/26/2018, and in the amount of $500.00 was a cash advance for the Family Fun Night expenses. However, there was not an Expense Report (F-SA-9) on file for this cash advance. We noted that the supporting documentation that was on file supported that the change of $321.05 was properly redeposited back into the activity fund. Redbook requires that the Expense Report, related receipts, other supporting documentation, and unused cash be returned by the close of the next business day after the trip.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This bookkeeper has been counseled on this compliance issue and will be closely monitored by the district moving forward.

CHANGE BOX

We noted that the change money was not redeposited before the end of the fiscal year. Redbook requires that change fund money be re-deposited before the end of the fiscal year on a separate receipt and not commingled with gate or concession receipts.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This bookkeeper has been counseled on this compliance issue and will be closely monitored by the district moving forward.

GREENWOOD HIGH SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report (F-SA-15A) that was completed on 9/24/2019 for the 2018-2019 fiscal year was not signed as being approved by the school's principal or signed by the school's bookkeeper. Redbook requires that the Annual Financial Report be approved and submitted to the board by July 25th.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This bookkeeper has been counseled on this compliance issue and will be closely monitored by the district moving forward.

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the Annual Financial Report was missing for the following booster clubs: football, baseball, softball, cross country, soccer, swimming, tennis, archery, girls' basketball, boys' basketball, and the athletic booster club.

We noted the annual External Support/Booster Organization Budget Worksheet (F-SA-4B) was missing for the following booster clubs: football, baseball, softball, cross country, soccer, swimming, tennis, archery, girls' basketball, boys' basketball, and the athletic booster club.

Redbook requires that all booster clubs submit an Annual Financial Report for the fiscal year to the principal by July 25 and an annual External Support/Booster Organization Budget Worksheet to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group. Redbook also requires that all booster clubs submit a proof of general liability insurance for each school year the club is active, obtain its own Federal Employer Identification Number specifically and only for its use, and provide a list of officers for each year the club is active.

MANAGEMENT RESPONSE

The district will discuss booster club findings at future Redbook Trainings. Furthermore, the district will show examples of what is expected on these forms and how to maintain compliance with Redbook and when those are due.

CASH ADVANCE

We noted that checks #13605 and #13672, dated 8/21/2018 and 9/17/1208, in the amounts of $50.00 and $100.00 respectively, were for cash advances for vinyl supplies However, there weren't Expense Reports (F-SA-9) on file for the return of the change from the cash advance. Redbook requires that the Expense Report, related receipts, other supporting documentation, and unused cash be returned by the close of the next business day after the trip.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This bookkeeper has been counseled on this compliance issue and will be closely monitored by the district moving forward.

INVENTORY CONTROL WORKSHEET

We noted that there was not any Inventory Control Worksheets (F-SA-5) on file for the pencil machine. Redbook requires inventory control worksheets to be completed every month there is inventory.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This bookkeeper has been counseled on this compliance issue and will be closely monitored by the district moving forward.

TRAVEL REIMBURSEMENT

We noted that checks #13754 and #14049, dated 10/29/2018 and 2/21/2019, in the amounts $344.15 and $48.21 respectively, were travel reimbursements for JROTC trips. However, there weren't Travel Vouchers (Form F-SA-16) on file for the request of reimbursement. Redbook requires that reimbursement be made from the school activity fund with submission of a Travel Voucher
(Form F-SA-16) approved by the principal.

MANAGEMENT RESPONSE

The district has made the bookkeeper aware of this finding. No corrective action will be needed as the new edition of Redbook will not include form F-SA-16. Upcoming training will incorporate the new standards for schools to follow.

SOUTH WARREN HIGH SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report (F-SA-15A) that was completed on 09/23/2019 for the 2018-2019 fiscal year was not signed as being approved by the school's principal or signed by the school's bookkeeper. Redbook requires that the Annual Financial Report be approved and submitted to the board by July 25th.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. Sessions are divided into a group of elementary bookkeepers and then middle and high school bookkeepers. For our middle and high school bookkeepers they will work more days than our elementary bookkeepers. Therefore, in the middle and high school session due dates and the district expectations for compliance will be further explained.

WARREN CENTRAL HIGH SCHOOL

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the Annual Financial Report was missing for the following booster clubs: cheerleading, girls' soccer, and volleyball.

We noted the annual External Support/Booster Organization Budget Worksheet (F-SA-4B) was missing for the following booster clubs: cheerleading, football, girls' soccer, and volleyball.

Redbook requires that all booster clubs submit an Annual Financial Report for the fiscal year to the principal by July 25 and an annual External Support/Booster Organization Budget Worksheet to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group. Redbook also requires that all booster clubs submit a proof of general liability insurance for each school year the club is active and obtain its own Federal Employer Identification Number specifically and only for its use.

MANAGEMENT RESPONSE

The district will discuss booster club findings at future Redbook Trainings. Furthermore, the district will show examples of what is expected on these forms and how to maintain compliance with Redbook and when those are due.

PURCHASE ORDER FORMS

We noted that check #25639, dated 5/03/19, written to Play Verses from the E-Sports Fund in the amount of $960.00 had in attached invoice that was dated 4/16/2019. The attached Purchase Order Form was dated as being submitted and approved on 5/02/2019. Redbook requires that purchases be approved before they are processed.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This new bookkeeper has been made of this compliance issue and will be closely monitored by the district moving forward.

WARREN EAST HIGH SCHOOL

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the Annual Financial Report was missing for the Warren East booster club.

We noted the annual External Support/Booster Organization Budget Worksheet (F-SA-4B) was missing for the warren east boosters club.

Redbook requires that all booster clubs submit an Annual Financial Report for the fiscal year to the principal by July 25 and an annual External Support/Booster Organization Budget Worksheet to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group.

MANAGEMENT RESPONSE

The district will discuss booster club findings at future Redbook Trainings. Furthermore, the district will show examples of what is expected on these forms and how to maintain compliance with Redbook and when those are due.

GEO INTERNATIONAL HIGH SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report (F-SA-15A) that was completed on 9/25/2019 for the 2018-2019 fiscal year was not signed as being approved by the school's principal or signed by the school's bookkeeper. Redbook requires that the Annual Financial Report be approved and submitted to the board by July 25th.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. Sessions are divided into a group of elementary bookkeepers and then middle and high school bookkeepers. For our middle and high school bookkeepers they will work more days than our elementary bookkeepers. Therefore, in the middle and high school session due dates and the district expectations for compliance will be further explained.

DEPOSIT SLIPS

While reviewing deposits, we noted that the deposits on 5/13/2019 and 3/18/2019 did not include deposit slips. Redbook requires that deposit slips be prepared by the school treasurer listing the issuer name and amount of each check or retain a copy of checks to be deposited. The deposit slip shall note the receipt numbers in the deposit.

MANAGEMENT RESPONSE

The district provides Redbook compliance training 2 times each year, in addition to, offering to cover the cost of bookkeepers and a school administrator to attend Redbook trainings offered at GRREC. The district also employs two former bookkeepers as well as an internal auditor to help advise bookkeepers on questions that they have. This new bookkeeper has been made of this compliance issue and will be closely monitored by the district moving forward.