

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT

FINANCIAL STATEMENTS,
SUPPLEMENTARY SCHEDULES
AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Campbellsville Independent School District
Campbellsville, 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 Campbellsville Independent School District (the "District") as of and for the year then ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 and 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 Schools District Audits Independent Auditor's Contract, and Appendices I and II of 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of District's proportionate share of net pension and OPEB liabilities and schedules of required contributions on Pages 3 through 7 and 40 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The additional information shown on Pages 56 through 60 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards on Pages 61 through 62 are 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 are also not a required part of the basic financial statements of the District.

The additional information shown on pages 56 through 60 and the Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information shown on pages 40 through 54 and the Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2020, on our consideration of the Campbellsville Independent 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 provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Campbellsville Independent School Districts internal control over financial reporting and compliance.

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, KY
November 12, 2020

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT – CAMPBELLSVILLE, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
For the Year Ended June 30, 2020

As management of the Campbellsville Independent School District (District), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The ending general fund balance for the District was \$2,977,035. The previous year ending balance was \$2,739,319. The ending cash balance for the General Fund was \$2,886,896 and will also serve as the beginning balance for FY 2021. The District put additional funds into the construction fund in FY 20 as part of a Capital funds Request through KDE to allow for the upcoming Turf project.
- \$617,451 was paid by the District for debt service principal and interest in FY 2020. An additional \$450,837 was paid towards debt service from On-Behalf payments from the State.
- SEEK revenue increased by \$521,054 from FY 2019 because of an overall increase in our district student enrollment.
- The General Fund had \$8,547,781 in revenue excluding on-behalf revenues, transfers-in and prior year carry forward balance. This amount primarily consists of the state SEEK program and local taxes.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 8-10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary funds and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The only proprietary funds are our vending and food service operations. All other activities of the district are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-39 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, net position exceeded liabilities and deferred inflows of resources by \$4.34 million as of June 30, 2020.

The largest portion of the District’s net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Net Position for the periods ending June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Assets:		
Current Assets	\$ 3,919,659	\$ 3,518,594
Capital Assets	19,270,295	19,610,040
Total Assets	<u>23,189,954</u>	<u>23,128,634</u>
Deferred Outflows of Resources	<u>1,733,207</u>	<u>1,664,826</u>
Liabilities:		
Current Liabilities	1,187,941	1,130,589
Non-Current Liabilities	17,970,503	18,965,200
Total Liabilities	<u>19,158,444</u>	<u>20,095,789</u>
Deferred Inflows of Resources	<u>1,420,046</u>	<u>823,117</u>
Net Position		
Net investment in capital assets	8,352,905	7,957,872
Restricted	(531,299)	(761,807)
Unreserved fund balance	<u>(3,476,935)</u>	<u>(3,321,510)</u>
Total Net Position	<u>\$ 4,344,671</u>	<u>\$ 3,874,555</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position.

The District put into service \$686,919 of capital assets in the fiscal year ended June 30, 2020.

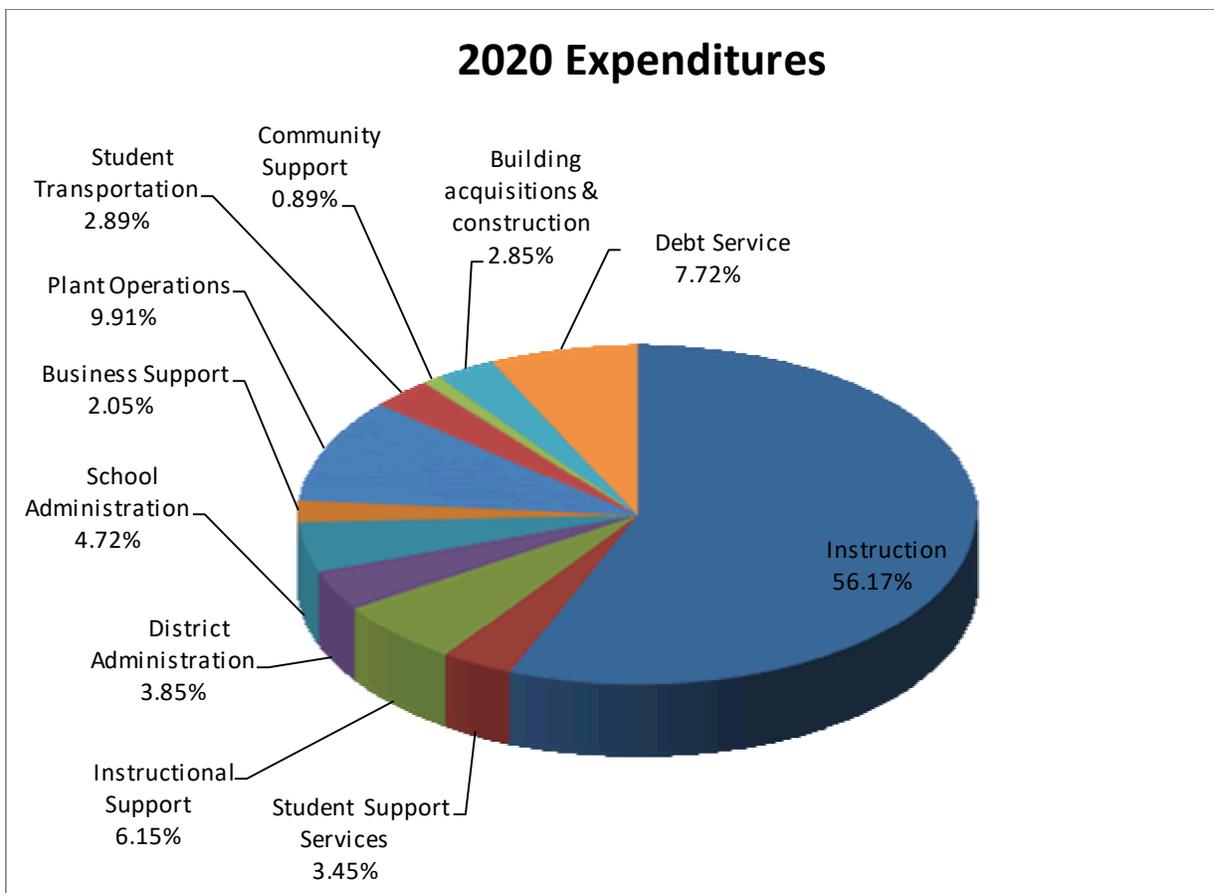
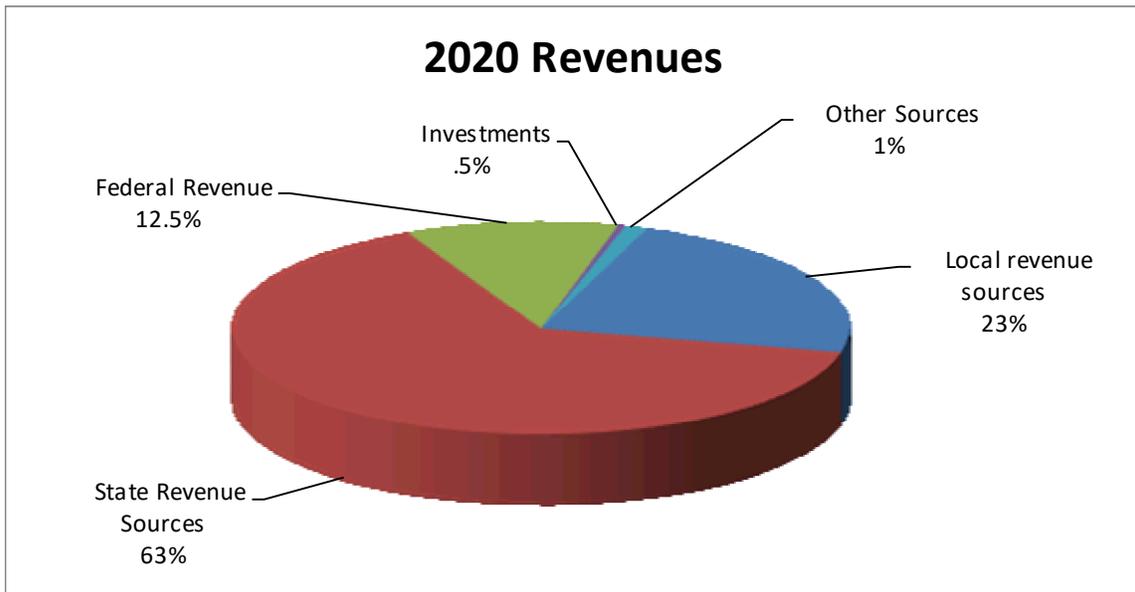
Comments on Budget Comparisons.

- General fund budget compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$3.94 million more than budget. The variance is primarily explained by unbudgeted on-behalf payments made by the State of Kentucky in the amount of \$3.1 million.
- The total cost of all general fund programs and services was \$11.39 million which is an increase of \$225,815 from the previous year.
- General fund budget expenditures to actual varied significantly in Instruction and Other expenses. This resulted from the District not budgeting on-behalf payments made by the State of Kentucky and not having to spend budgeted contingency funds.

The District’s total revenues for the fiscal year ended June 30, 2020 net of inter-fund transfers were \$15,302,840. The following table presents a summary of revenue for the fiscal years ended June 30, 2020 and 2019.

Revenues	2020	2019
Local revenue sources	\$ 3,524,915	\$ 3,585,980
State revenue sources	9,844,520	8,920,257
Federal Revenue	1,694,781	1,609,064
Investments	58,862	59,072
Other Sources	179,762	389,131
Total revenues	\$ 15,302,840	\$ 14,563,504

The majority of revenue was derived from state funding (64%), with local taxes making up another (23%) of total revenue.



The following table presents a summary of expenses for the fiscal years ended June 30, 2020 and 2019.

Expenses	2020	2019
Instruction	\$ 8,489,077	\$ 8,147,501
Student Support Services	521,362	617,004
Instructional Support	929,479	858,994
District Administration	581,650	589,913
School Administration	714,074	685,924
Business Support	309,436	286,216
Plant Operations	1,497,765	1,548,093
Student Transportation	437,065	430,447
Community Support	134,706	115,069
Site Improvement	-	-
Building acquisitions & construction	430,500	22,962
Debt Service	1,068,289	1,099,996
Total expenses	\$ 15,113,403	\$ 14,402,119

BUDGETARY IMPLICATIONS

In Kentucky the public school fiscal year is July 1-June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the district overall budget. By law the budget must have a minimum 2% contingency. The district adopted a budget of \$14,378,422 with a contingency of \$765,226 or 5.3%. Anticipated increases in the cost for Health and Life Insurance as well as KTRS/CERS Retirement have impacted the CISD budget for the upcoming year. Several small renovation and maintenance projects are ongoing to improve the facilities on all of the CISD campuses.

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. Questions regarding this report should be directed to the Superintendent Kirby Smith or to Chris Kidwell, Director of Financial Services (270) 465-4162 or by mail at 136 S Columbia Ave, Campbellsville, KY 42718.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,886,896	\$ 219,080	\$ 3,105,976
Cash and cash equivalents, restricted	465,434	-	465,434
Inventory	-	14,769	14,769
Accounts receivable:			
Taxes - current	38,021	-	38,021
Other accounts receivable	-	32,833	32,833
Intergovernmental - state	29,375	-	29,375
Intergovernmental - indirect federal	233,251	-	233,251
Total current assets	<u>3,652,977</u>	<u>266,682</u>	<u>3,919,659</u>
Noncurrent assets:			
Land and other non-depreciable assets	395,906	-	395,906
Capital assets net of accumulated depreciation	18,793,005	81,384	18,874,389
Total noncurrent assets	<u>19,188,911</u>	<u>81,384</u>	<u>19,270,295</u>
Total assets	<u>22,841,888</u>	<u>348,066</u>	<u>23,189,954</u>
Deferred outflows of resources:			
Bond Discount	36,216	-	36,216
Bond Refunding	107,508	-	107,508
CERS OPEB	324,019	77,757	401,776
KTRS OPEB	279,178	-	279,178
CERS Pension	742,023	166,506	908,529
Total deferred outflows	<u>1,488,944</u>	<u>244,263</u>	<u>1,733,207</u>

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION-CONTINUED
June 30, 2020

	Governmental Activities	Business Type Activities	Total
Liabilities:			
Current liabilities:			
Accounts payable	\$ 19,866	\$ 485	\$ 20,351
Accrued liabilities	59,944	-	59,944
Accrued interest payable	81,745	-	81,745
Current portion of bond obligations	735,000	-	735,000
Current portion of loans payable	20,000	-	20,000
Current portion of accrued sick leave	140,203	-	140,203
Unearned revenue	130,698	-	130,698
Total current liabilities	<u>1,187,456</u>	<u>485</u>	<u>1,187,941</u>
Noncurrent liabilities:			
Noncurrent portion of bond obligation	10,200,000	-	10,200,000
Noncurrent portion of loans payable	60,000	-	60,000
Noncurrent portion of accrued sick leave	140,203	-	140,203
Net CERS OPEB liability	774,462	176,667	951,129
Net KTRS OPEB liability	2,641,000	-	2,641,000
Net pension liability	3,239,252	738,919	3,978,171
Total noncurrent liabilities	<u>17,054,917</u>	<u>915,586</u>	<u>17,970,503</u>
Total liabilities	<u>18,242,373</u>	<u>916,071</u>	<u>19,158,444</u>
Deferred inflows of resources:			
Bond premium	46,114	-	46,114
CERS OPEB	315,837	72,047	387,884
KTRS OPEB	695,000	-	695,000
CERS Pension	236,922	54,126	291,048
Total deferred inflows of resources	<u>1,293,873</u>	<u>126,173</u>	<u>1,420,046</u>
Net position:			
Net investment in capital assets	8,271,521	81,384	8,352,905
Restricted for:			
Inventories	-	14,769	14,769
Food service	-	(546,068)	(546,068)
Other	-	-	-
Unrestricted	(3,476,935)	-	(3,476,935)
Total net position	<u>\$ 4,794,586</u>	<u>\$ (449,915)</u>	<u>\$ 4,344,671</u>

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Functions/Programs	Expense	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities							
Instruction	\$ 8,905,407	\$ 810	\$ 1,835,661	\$ -	\$ (7,068,936)	\$ -	\$ (7,068,936)
Support services:							
Student support services	522,175	-	-	-	(522,175)	-	(522,175)
Instructional staff	929,479	-	225,724	-	(703,755)	-	(703,755)
District administration	581,696	-	-	-	(581,696)	-	(581,696)
School administration	716,381	-	-	-	(716,381)	-	(716,381)
Business	309,436	-	-	-	(309,436)	-	(309,436)
Plant operations and maintenance	1,704,287	24,170	-	-	(1,680,117)	-	(1,680,117)
Student transportation	483,972	-	9,867	-	(474,105)	-	(474,105)
Community services	134,818	-	134,706	-	(112)	-	(112)
Facilities acquisition and construction	-	-	-	542,905	542,905	-	542,905
Site improvement	430,500	-	-	-	(430,500)	-	(430,500)
Interest on long-term debt	335,338	-	-	-	(335,338)	-	(335,338)
Total governmental activities	15,053,489	24,980	2,205,958	542,905	(12,279,646)	-	(12,279,646)
Business-type activities							-
Food service	945,166	81,240	1,082,481	-	-	218,555	218,555
Total business-type activities	945,166	81,240	1,082,481	-	-	218,555	218,555
Total primary government	<u>\$ 15,998,655</u>	<u>\$ 106,220</u>	<u>\$ 3,288,439</u>	<u>\$ 542,905</u>	(12,279,646)	218,555	(12,061,091)
General revenues:							
Taxes							
					2,696,074	-	2,696,074
					172,200	-	172,200
					596,600	-	596,600
					16,150	-	16,150
					8,811,748	-	8,811,748
					58,862	2,210	61,072
					177,363	-	177,363
					<u>12,528,997</u>	<u>2,210</u>	<u>12,531,207</u>
Change in Net Position					249,351	220,765	470,115
Net position - beginning					<u>4,545,235</u>	<u>(670,680)</u>	<u>3,874,555</u>
Net position - ending					<u>\$ 4,794,586</u>	<u>\$ (449,915)</u>	<u>\$ 4,344,671</u>

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Special Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets and resources:					
Cash and cash equivalents	\$ 2,886,896	\$ -	\$ -	\$ -	\$ 2,886,896
Cash and cash equivalents, restricted	-	-	-	465,434	465,434
Accounts receivable					
Taxes	38,021	-	-	-	38,021
Other accounts receivable	-	-	-	-	-
Intergovernmental - state	-	29,375	-	-	29,375
Intergovernmental - indirect federal	131,928	-	-	-	131,928
Interfund receivable	-	233,251	-	-	233,251
Total assets and resources	<u>\$ 3,056,845</u>	<u>\$ 262,626</u>	<u>\$ -</u>	<u>\$ 465,434</u>	<u>\$ 3,784,905</u>
Liabilities and fund balance:					
Liabilities:					
Interfund payable	\$ -	\$ 131,928	\$ -	\$ -	\$ 131,928
Accounts payable	19,866	-	-	-	19,866
Accounts payable from restricted assets	-	-	-	-	-
Accrued payroll and related expenses	59,944	-	-	-	59,944
Unearned revenue	-	130,698	-	-	130,698
Total liabilities	<u>79,810</u>	<u>262,626</u>	<u>-</u>	<u>-</u>	<u>342,436</u>
Fund balance					
Restricted - future construction	-	-	-	-	-
Committed - sick leave payable	150,000	-	-	-	150,000
Committed - future construction	500,000	-	-	465,434	965,434
Assigned - purchase obligations	-	-	-	-	-
Unassigned fund balance	2,327,035	-	-	-	2,327,035
Total fund balance	<u>2,977,035</u>	<u>-</u>	<u>-</u>	<u>465,434</u>	<u>3,442,469</u>
Total liabilities and fund balance	<u>\$ 3,056,845</u>	<u>\$ 262,626</u>	<u>\$ -</u>	<u>\$ 465,434</u>	<u>\$ 3,784,905</u>

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2020

Amounts reported for governmental activities in the statement of net position are different because:

Total Governmental Fund Balance		\$ 3,442,469
Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets	\$ 33,581,733	
Accumulated Depreciation	<u>(14,392,822)</u>	19,188,911
Deferred inflows	(1,293,873)	
Deferred outflows	1,488,944	
Net OPEB liability	(3,415,462)	
Net pension liability	<u>(3,239,252)</u>	(6,459,643)
Certain liabilities are not reported in the governmental fund financial statement because they are not due and payable, but they are presented in the statement of net position.		
Bonds and Loans Payable	(11,015,000)	
Accrued Sick Leave	(280,406)	
Accrued Interest Payable	<u>(81,745)</u>	<u>(11,377,151)</u>
Net position - governmental activities		<u><u>\$ 4,794,586</u></u>

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	Special Revenue (Grant) Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	\$2,239,306	\$ -	\$ -	\$ 456,768	\$ 2,696,074
Motor vehicles	172,200	-	-	-	172,200
Utilities	596,600	-	-	-	596,600
Other	60,041	-	-	-	60,041
Tuition and fees	810	-	-	-	810
Earnings on investments	58,862	-	-	-	58,862
Other local revenues	157,642	21,310	-	-	178,952
Intergovernmental - state	8,277,301	573,477	450,837	542,905	9,844,520
Intergovernmental - direct federal	83,610	-	-	-	83,610
Intergovernmental - indirect federal	-	1,611,171	-	-	1,611,171
Total revenues	<u>11,646,372</u>	<u>2,205,958</u>	<u>450,837</u>	<u>999,673</u>	<u>15,302,840</u>
Expenditures:					
Instruction	6,633,194	1,855,883	-	-	8,489,077
Support services:					
Student support services	521,362	-	-	-	521,362
Instructional staff	703,755	225,724	-	-	929,479
District administration	581,650	-	-	-	581,650
School administration	714,074	-	-	-	714,074
Business support services	309,436	-	-	-	309,436
Plant operation & maintenance	1,497,765	-	-	-	1,497,765
Student transportation	427,198	9,867	-	-	437,065
Community service	-	134,706	-	-	134,706
Land improvement	-	-	-	-	-
Building acquisitions & construction	-	-	-	-	-
Building improvements	-	-	-	430,500	430,500
Debt service	-	-	1,068,289	-	1,068,289
Total expenditures	<u>11,388,434</u>	<u>2,226,180</u>	<u>1,068,289</u>	<u>430,500</u>	<u>15,113,403</u>
Excess (Deficit) of Revenues Over Expenditures	<u>257,938</u>	<u>(20,222)</u>	<u>(617,452)</u>	<u>569,173</u>	<u>189,437</u>
Other financing sources (uses):					
Operating transfers in	811	21,033	617,452	382,221	1,021,517
Operating transfers out	(21,033)	(811)	-	(999,673)	(1,021,517)
Total other financing sources (uses)	<u>(20,222)</u>	<u>20,222</u>	<u>617,452</u>	<u>(617,452)</u>	<u>(0)</u>
Net change in fund balance	237,716	-	-	(48,279)	189,437
Fund balance - June 30, 2019	<u>2,739,319</u>	<u>-</u>	<u>-</u>	<u>513,713</u>	<u>3,253,032</u>
Fund balance - June 30, 2020	<u>\$2,977,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465,434</u>	<u>\$ 3,442,469</u>

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net Change - Governmental Funds \$ 189,437

Governmental funds report capital outlays as expenditures because they use current financial resources, but they are presented as assets in the statement of net position and depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities. The difference is the amount by which capital outlays exceeds depreciation expense for the year.

Capital Outlays	\$ 686,919	
Depreciation Expense	<u>(1,016,921)</u>	(330,002)
 Loss on disposal		 -

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Decrease in Loans Payable	20,000	
Decrease in Bonds Payable	-	
Principal Paid		
District	388,506	
State	<u>336,494</u>	745,000

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.

Accrued Sick Leave	53,597	
Accrued Interest Payable	4,123	
Deferred Outflows of Resources	115,379	
Deferred Inflows of Resources	(591,380)	
Net OPEB Liability	494,965	
Net Pension Liability	<u>(431,768)</u>	<u>(355,084)</u>

Change in net position of governmental activities \$ 249,351

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	<u>Food Service Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 219,080
Inventory	14,769
Accounts receivable	32,833
Total current assets	<u>266,682</u>
Noncurrent assets:	
Capital assets net of accumulated depreciation	81,384
Total noncurrent assets	<u>81,384</u>
Total assets	<u>348,066</u>
Deferred Outflows of Resources:	
CERS OPEB	77,757
CERS Pension	166,506
Total deferred outflows of resources	<u>244,263</u>
Liabilities:	
Current liabilities:	
Accounts payable	485
Total current liabilities	<u>485</u>
Noncurrent liabilities:	
Net OPEB liability	176,667
Net pension liability	738,919
Total noncurrent liabilities	<u>915,586</u>
Total liabilities	916,071
Deferred Inflows of Resources:	
CERS OPEB	72,047
CERS Pension	54,126
Total deferred outflows of resources	<u>126,173</u>
Net position	
Net investment in capital assets	81,384
Restricted:	
Inventory	14,769
Food Service	(546,068)
Total net position	<u>\$ (449,915)</u>

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Food Service Fund
Operating revenues:	
Lunchroom sales	\$ 80,539
Other operating revenue	701
Total operating revenues	81,240
Operating expenses:	
Salaries and wages	478,161
Contract services	28,633
Material and supplies	420,499
Property	8,130
Depreciation	9,743
Total operating expenses	945,166
Operating income (loss)	(863,926)
Non-operating revenues (expenses):	
Federal grants	880,161
Donated commodities	44,862
State grants	157,458
Gain (loss) on sale	-
Interest income	2,210
Total non-operating revenues	1,084,691
Change in net position	220,765
Net position - June 30, 2019	(670,680)
Net position - June 30, 2020	\$ (449,915)

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Food Service Fund
Cash flows from operating activities:	
Cash received from:	
Lunchroom sales	\$ 81,240
Cash paid for:	
Employees	(417,857)
Supplies	(374,125)
Other activities	(36,763)
Net cash provided (used) by operating activities	(747,505)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	-
Net cash provided (used) by capital and related financing activities	-
Cash flows from non-capital financing activities:	
State grants	-
Federal grants	926,646
Net cash provided by non-capital financing activities	926,646
Cash flows from investing activities:	
Receipt of interest income	2,210
Net cash provided (used) by investing activities	2,210
Net increase (decrease) in cash and cash equivalents	181,351
Balances, Beginning of Year	37,729
Balances, End of Year	\$ 219,080
Reconciliation of change in net income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (863,926)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	9,743
State On-behalf Payments	157,458
GASB 68 pension expense	(56,860)
GASB 75 pension expense	(40,294)
Donated Commodities	44,862
Change in Assets and Liabilities:	
(Increase) Decrease in Inventory	1,197
Increase (Decrease) in Accounts Payable	315
Net cash provided (used) by operating activities	\$ (747,505)
Schedule of non-cash transactions:	
On Behalf Payments from the State for Employee Benefits	\$ 183,782
Donated Commodities Received from Federal Government	55,502
GASB 68 & GASB 75 expenses (net)	96,698

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
 June 30, 2020

	Agency Funds
Assets:	
Cash	\$ 89,350
Accounts receivable	740
Total assets	90,090
Liabilities:	
Accounts payable	1,020
Due to student groups	89,070
Total liabilities	90,090
Net position	\$ -

See accompanying notes to financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Campbellsville Independent 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 the Campbellsville Independent School District (“District”). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, codification of Governmental Accounting and Financial Reporting Standards. Board Members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Campbellsville Independent Board of Education. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself such as Band Boosters, Parent-Teacher Associations, etc.

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

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements:

Campbellsville Independent School District Finance Corporation - On November 19, 1990, the Campbellsville Independent, Kentucky, Board of Education resolved to authorize the establishment of the Campbellsville Independent School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the Board for financing the costs of school building facilities. The Board Members of the Campbellsville Independent Board of Education also comprise the Corporation’s Board of Directors.

Basis of 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. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

The District has the following funds:

- Governmental Fund Types
 1. The General Fund is the main operating fund of the Board. 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 of the District.
 2. The Special Revenue (Grant) 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 on pages 50 through 51. This is a major fund of the District.
 3. 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. This is a major fund.
 4. 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 Fund).
 - a. 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.
 - b. 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. This is a major fund of the District.
 - c. The Construction Fund includes Capital Projects Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction.
- Proprietary Fund Types (Enterprise Fund)
 1. The Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA. The Food Service Fund is a major fund.
 2. Operating revenues in the proprietary funds are the revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.
- Fiduciary Fund Type (includes agency funds)

The Activity fund accounts for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.

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.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available.

Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

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

Unearned Revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net position as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported in inventory.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Property Taxes

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1, for all real and personal property in the city limits. 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 property tax rates assessed for the year ended June 30, 2020, to finance the General Fund operations were \$.645 per \$100 valuation for real property, \$.657 per \$100 valuation for business personal property and \$.553 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.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000 with the exception of buildings and building improvements for which the threshold is \$25,000. 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 capitalized. The District does not possess any infrastructure.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and Improvements	25-50 years
Land Improvements	20 years
Technology Equipment	5 years
Vehicles	5-10 years
Audio-Visual Equipment	15 years
Food Service Equipment	10-12 years
Furniture and Fixtures	7 years
Rolling Stock	15 years
Other	10 years

Inter-fund Balances

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as “inter-fund receivables / payables”. These amounts are eliminated in the governmental and business-type activities columns of the statements of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. For the year ended June 30, 2020 there were no inter-fund balances.

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).
- The budget can be amended after initial approval.
- Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year-end.
- On-Behalf payments were not considered in the budget.

Cash and Cash Equivalents

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

Inventories

The only inventory maintained by the District consists of expendable supplies held for consumption and is accounted for in the Enterprise Fund. Inventory consists of donated and purchased food held for resale and is expensed when used. Purchased food is valued at cost and U.S. Government donated commodities value is determined by the U.S. Department of Agriculture.

Prepaid Assets

Payments made that will benefit periods beyond June 30, 2020 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, accumulated sick leave, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Postemployment Benefits Other Than OPEBs (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers' Retirement System of the State of Kentucky (TRS) and the Kentucky Retirement System (CERS) and additions to/deductions from TRS's & 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, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balance Reserves

- Non-spendable fund balance- amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balances- amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance- amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint;
- Assigned fund balance- amounts the District intends to use for specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority;
- Unassigned fund balances- amounts that are available for any purpose; positive amounts are reported only in the General Fund

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by the various schools.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Resources

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

NOTE 2: ESTIMATES

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

NOTE 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. Custodial Credit 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.

The District's cash and cash equivalents consist of amounts deposited in both interest and non-interest bearing accounts. As of June 30, 2020, the carrying amount of the District's deposits, including activity funds was \$3,659,965. Of the total cash balance, \$500,000 was covered by Federal depository insurance, with the remainder covered by collateral held by the pledging banks' trust departments in their name and pledged to the District. Cash equivalents are funds temporarily invested in securities with maturity of 90 days or less.

The District's cash and cash equivalents at June 30, 2020 consisted of the following:

	Bank Balance	Book Balance
Checking Accounts	\$ 3,985,131	\$ 3,659,965
	\$ 3,985,131	\$ 3,659,965

Breakdown per financial statements:

Governmental Funds	\$ 3,674,145	\$ 3,352,330
Agency Funds	91,906	88,555
Proprietary Funds	219,080	219,080
	\$ 3,985,131	\$ 3,659,965

NOTE 4: INVESTMENTS

Kentucky revised statutes authorize the District to invest in the following:

- (1) Obligations of the United States and of its agencies and instrumentalities, repurchase agreements, and specially approved AAA rated corporate bonds;
- (2) Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities;
- (3) Any savings and loan associations insured by an agency of the United States up to the amount insured;
- (4) Interest bearing deposits in national and state banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank shall pledge as security obligations having a current quoted market value at least equal to any uninsured deposits.

Financial instruments which potentially subject the District to concentrations of credit risk consist principally of temporary cash investments, taxes receivable and receivables from federal and state governments.

As of June 30, 2020, the District had no investments.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5: CAPITAL ASSETS

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

	Balance January 0, 1900	Additions	Retirements/ Transfers	Balance June 30, 2020
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 395,906	\$ -	\$ -	\$ 395,906
Total Capital Assets , not being Depr.	<u>395,906</u>	<u>-</u>	<u>-</u>	<u>395,906</u>
Capital Assets, being Depreciated:				
Land Improvements	1,000,843	142,208	-	1,143,051
Buildings and Building Improvements	29,503,648	527,030	-	30,030,678
Technology Equipment	484,992	-	-	484,992
Vehicles	1,038,068	-	-	1,038,068
General Equipment	471,357	17,681	-	489,038
Total Capital assets, being Depreciated	<u>32,498,908</u>	<u>686,919</u>	<u>-</u>	<u>33,185,827</u>
Totals at historical cost	<u>32,894,814</u>	<u>686,919</u>	<u>-</u>	<u>33,581,733</u>
Less accumulated depreciation for:				
Land and improvements	517,482	29,995	-	547,477
Buildings and building improvements	11,465,958	885,398	-	12,351,356
Technology equipment	371,887	24,547	-	396,434
Vehicles	655,267	60,227	-	715,494
General Equipment	365,307	16,754	-	382,061
Total accumulated depreciation	<u>13,375,901</u>	<u>1,016,921</u>	<u>-</u>	<u>14,392,822</u>
Governmental activities capital assets - net	<u>\$ 19,518,913</u>	<u>\$ (330,002)</u>	<u>\$ -</u>	<u>\$ 19,188,911</u>
	<u>January 0, 1900</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
Proprietary Activities:				
Food service and equipment	\$ 195,325	\$ -	\$ -	\$ 195,325
Technology equipment	-	-	-	-
Totals at historical cost	<u>195,325</u>	<u>-</u>	<u>-</u>	<u>195,325</u>
Less accumulated depreciation for:				
Food service and equipment	104,198	9,743	-	113,941
Technology equipment	-	-	-	-
Total accumulated depreciation	<u>104,198</u>	<u>9,743</u>	<u>-</u>	<u>113,941</u>
Proprietary activities capital, net	<u>\$ 91,127</u>	<u>\$ (9,743)</u>	<u>\$ -</u>	<u>\$ 81,384</u>

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 5: CAPITAL ASSETS, CONTINUED

Depreciation Expense Charged to Governmental Functions is as Follows:

Plant Operation and Maintenance	\$	751,233
Instruction		215,503
Student Transportation		46,907
School Administration		2,307
Student Support		813
Community Service Operations		112
District Admin Support		46
		46
Total	\$	1,016,921

NOTE 6: LONG-TERM OBLIGATIONS

The amount shown in the accompanying financial statements as lease obligations represents the District’s future obligations to make lease payments relating to bonds issued by the Fiscal Court of Campbellsville Independent and Campbellsville Independent School District Finance Corporation.

The General Fund, including utility taxes, Facility Support Program (FSPK) Fund, and the SEEK Capital Outlay Fund are obligated to make lease payments. The lease agreements provide among other things, (1) for rentals sufficient to satisfy debt service requirements on bonds issued by the Fiscal Court to construct school facilities and (2) the District with the option to purchase the property under lease at any time by retiring the bonds then outstanding. The proceeds from certain refunding issues have been placed in escrow accounts to be used to service the related debt.

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

Issue	District Original Amount	SFCC Original Amount	Interest Rate Ranges	Maturity Dates
1997	\$ 113,880	\$ 211,120	4.50% - 5.00%	June 1, 2018
2003	\$ 580,000	-	3.70%	November 1, 2018
2005	-	\$ 280,000	4.00%	September 1, 2025
2008	-	\$ 5,395,000	2.30%-4.125%	June 1, 2009 June 1, 2018
2016	\$ 9,194,096	\$ 485,904	2.00%-3.125%	April 1, 2016 April 1, 2036
2016	-	\$ 3,460,000	2.00% - 3.00%	March 1, 2017 March 1, 2038

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 Campbellsville Independent 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 local bond amount remains with the District and, as such, the total principal outstanding has been recorded in the financial statements.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 6: LONG-TERM OBLIGATIONS, CONTINUED

The bonds may be called prior to maturity and redemption premiums are specified in each issued. 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, 2020, for debt service (principal and interest) are as follows:

Year	Campbellsville Independent School District		Kentucky School Construction Commission		Total
	Principal	Interest	Principal	Interest	
2020-2021	393,575	222,162	341,425	84,814	1,041,976
2021-2022	403,547	214,290	351,453	77,984	1,047,274
2022-2023	408,467	206,220	356,533	70,956	1,042,176
2022-2024	423,290	196,008	366,710	63,718	1,049,726
2024-2025	433,086	185,426	376,914	52,824	1,048,250
2026-2030	2,355,880	724,666	1,209,120	103,134	4,392,800
2031-2035	2,743,936	348,660	141,064	18,040	3,251,700
2036-2040	598,829	18,714	31,171	974	649,688
Totals	<u>\$ 7,760,610</u>	<u>\$ 2,116,146</u>	<u>\$ 3,174,390</u>	<u>\$ 472,444</u>	<u>\$ 13,523,590</u>

Loans Payable

On July 1, 2012, the Kentucky Inter-local School Transportation Association (KISTA) refinanced a portion of the 2004 loan originally made for the purpose of installing a new roof on the high school. The Kentucky Inter-local Transportation Association (KISTA) did this by defeasing \$180,000 of the original bond issues used to finance the original loan with the District. Interest is payable semiannually on December 1 and June 1 at 2% for the first six (6) years which increases to a rate of 3% by maturity in 2024. The remaining \$30,000 was paid in two (2) installments of \$15,000 maturing in May, 2014 with a rate of 3.75% for FY 2013 and 4.25% for FY 2014. The commission has expressed the intention to make 100% of the principal and interest payments. Debt service on the loan is as follows:

Year Ending June 30,	Kentucky School Facility Construction Commission	
	Principal	Interest
2021	20,000	2,350
2022	20,000	1,800
2023	20,000	1,200
2024	20,000	600
	<u>\$ 80,000</u>	<u>\$ 5,952</u>

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accumulated sick leave payable" in the general fund. The non-current portion of the liability is not reported.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 6: LONG-TERM OBLIGATIONS, CONTINUED

Long-term liability for the year ended June 30, 2020, was as follows:

	Beginning Balance June 30, 2019	Additions	Reductions	Ending Balance June 30, 2020	Amounts Due Within One Year
Governmental Activities:					
Revenue bonds payable	\$ 11,660,000	\$ -	\$ 725,000	\$ 10,935,000	\$ 735,000
Loans payable	100,000	-	20,000	80,000	20,000
Accrued sick leave	334,003	2,641	56,238	280,406	140,203
Net CERS OPEB Liability	818,427	-	43,965	774,462	-
Net KTRS OPEB Liability	3,092,000	-	451,000	2,641,000	-
Net pension liability	2,807,484	431,768	-	3,239,252	-
Governmental Activities:					
Long-term liabilities	<u>\$ 18,811,914</u>	<u>\$ 434,409</u>	<u>\$ 1,296,203</u>	<u>\$ 17,950,120</u>	<u>\$ 895,203</u>

The debt service fund is primarily responsible for paying the bond obligations through funding from the capital outlay and FSPK funds. The general fund is primarily responsible for paying accrued vacation and sick leave.

The total interest incurred for the year ended June 30, 2020 was \$335,338, all of which was charged to expense.

NOTE 7: COMMITMENTS UNDER NONCAPITALIZED LEASES

Commitments under operating lease agreements for equipment provide for minimum future rental payments as of June 30, 2020, as follows:

Year ending June 30:	
2021	615
2022	615
2023	615
2024	615
Thereafter	<u>103</u>
Total Minimum Payments	<u>\$ 2,563</u>

Rent expense for the year ended June 30, 2020 was \$8,606.

NOTE 8: RETIREMENT PLANS

Kentucky Teacher’s Retirement

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

General information about the County Employees retirement system Non-Hazardous (“CERS”)

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

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 8: RETIREMENT PLANS, CONTINUED

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

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

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

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

	<u>Required contribution</u>
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The district’s contribution requirement for CERS for the years ended June 30, 2020, 2019, and 2018 was \$276,061, \$231,424, and 214,147 from the District and \$71,518, \$71,340 and \$73,946 from employees. The total covered payroll for CERS during the years ended June 30, 2020, 2019 and 2018 was \$1,430,366, \$1,426,779, and \$1,478,913.

General information about the Teachers’ Retirement System of the State of Kentucky (“KTRS”)

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

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8: RETIREMENT PLANS, CONTINUED

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

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

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) 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 employees (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 is less than ten years. New employees 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, employees 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 employees hired on or after that date.

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

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

Contributions – Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.640% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.425% of their salary to KTRS. For members employed by local school districts, the State, as a non-employer contributing entity, contributes 13.105 percent of salary for those who joined before July 1, 2008 and 14.105 percent for those who joined thereafter.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after

July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 13.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

During the years ended June 30, 2020, 2019, and 2018 contributions of \$1,725,742, \$1,624,624 and \$1,645,078 were made by the State of Kentucky and \$145,007, 113,788 and \$117,623 in contributions were passed through the District's federally funded programs. Employee contributions for the years ended June 30, 2020, 2019, and 2018 totaled \$814,956, \$673,462 and \$795,484. All payments were made to the retirement system in the amount of the annually required contributions.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8: RETIREMENT PLANS, CONTINUED

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for KTRS because the Commonwealth of Kentucky provides the pension support directly to KTRS on behalf of the District Commonwealth support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate shares of the CERS net pension liability	\$ 3,978,171
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>22,931,762</u>
	<u>\$ 26,909,933</u>

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

The Districts proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2019, the Districts proportion was 0.056564% percent.

For the year ended June 30, 2020, the District recognized pension expense of \$643,078 related to CERS and \$1,725,742 related to KTRS. The District also recognized revenue of \$1,725,742 for KTRS support provided by the Commonwealth. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,575	\$ 16,809
Changes of assumptions	402,636	-
Net difference between projected and actual earnings on pension plan investments	76,365	140,495
Changes in proportion and differences between District contributions and proportionate share of contributions	51,892	133,744
District contributions subsequent to the measurement date	<u>276,061</u>	<u>-</u>
Total	<u>\$ 908,529</u>	<u>\$ 291,048</u>

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 8: RETIREMENT PLANS, CONTINUED

The District reported \$276,061 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021	245,652
2022	69,658
2023	21,560
2024	4,550

Actuarial assumptions—the total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>KTRS</u>
Inflation	2.30%	3.00%
Projected salary increases	3.30% - 10.30%	3.5-7.30%
Investment rate of return, net of investment expense & inflation	6.25%	7.50%

For CERS, 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 Disability Mortality Table projected with Scale BB to 2013 (set back 4 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 valuation date of July 1, 2010-June 30, 2013.

For KTRS, 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 for the period July 1, 2010 – June 30, 2015 adopted by the Board on November 19, 2016. The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

Discount rate—for CERS, the projection of cash flows used to determine the discount rate of 6.25% assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018). The discount rate determination does not use a municipal bond rate. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the Comprehensive Annual Financial Report (CAFR).

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

Long-term rate of return: For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the System. The most recent analysis, performed for the period covering the period July 1, 2010-June 30, 2015 adopted by the Board on November 19, 2016. Several factors are considered in evaluating the long-term rate of return assumption including 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

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 8: RETIREMENT PLANS, CONTINUED

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.

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term</u>
U.S. Equity	40.0%	4.2%
International Equity	22.0%	5.2%
Fixed Income	15.0%	1.2%
Additional Categories*	7.0%	3.2%
Real Estate	7.0%	3.8%
Private Equity	7.0%	6.3%
Cash	2.0%	0.9%
Total	<u>100.0%</u>	

Municipal bond rate: For CERS, the discount rate determination does not use a municipal bond rate

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	4,975,564	3,978,171	3,146,854
KTRS	6.50%	7.50%	8.50%
District's proportionate share of net pension liability	-	-	-

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

Deferred Compensation:

The District offers its employees the option to participate in a defined contribution plan under Section 403(B), 401(K) and 457 of the Internal Revenue Code. All regular full-time and part-time employees are eligible to participate and may contribute up to the maximum amount allowable by law. The District contributes 1% of the salary of those employees participating in these plans. For the year ended June 30, 2020, total contributions were approximately \$266,149 to the plan.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9: POST EMPLOYMENT BENEFIT PLAN

General Information about the OPEB Plan – CERS

Medical Insurance Plan

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

Benefits provided – To be eligible for medical benefits, the member must have retired either for service or disability. The Kentucky Retirement Systems' Insurance Fund offers coverage for eligible members receiving benefits from KERS, CERS, and SPRS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. 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 based on years of service.

Contributions – In order to fund the post-retirement healthcare benefit, for Tier 1 plan members (those participating prior to September 1, 2008) 5.26% of the gross annual payroll of members is contributed, all of which is paid by the District. For Tier 2 plan members (those participating on, or after September 1, 2008 and before January 1, 2014) an additional 1% of the gross annual payroll is contributed by the plan member. Tier 3 plan members (those whose participation began after January 1, 2014) also contribute an additional 1% of their annual payroll into a Cash Balance Plan. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan

General Information about the OPEB Plan - KTRS

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

The state reports a liability, deferred outflows of resources 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 Plan

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

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

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 9: POST EMPLOYMENT BENEFIT PLAN, CONTINUED

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, 2020, the District reported a liability of \$4,405,147 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, 2019, 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, 2019, the District’s proportion was 0.056549% for CERS OPEB and .072884% for KTRS OPEB.

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

District's proportionate shares of the net OPEB liability	\$	3,592,129
Commonwealth's proportionate share of the net OPEB liability associated with the District		2,133,000
		\$ 5,725,129

For the year ended June 30, 2020, the District recognized OPEB expense of \$100,576 and revenue of \$129,006 for support provided by the State related to medical insurance. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the medical expense OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 286,978
Changes of assumptions	281,448	1,882
Net difference between projected and actual earnings on OPEB plan investments	6,265	48,510
Changes in proportion and differences between District contributions and proportionate share of contributions	25,556	50,514
District contributions subsequent to the measurement date	68,085	-
Total	\$ 381,354	\$ 387,884

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 9: POST EMPLOYMENT BENEFIT PLAN, CONTINUED

Of the total amount reported as deferred outflows of resources related to OPEB, \$68,085 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, 2021. 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 ended June 30:	
2021	(10,909)
2022	(10,909)
2023	2,522
2024	(23,203)
2025	(26,314)
Thereafter	(5,802)

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, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 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%	5.1%
Fixed Income	9.0%	1.2%
Real Estate	6.5%	3.8%
Private Equity	8.5%	6.3%
Other Additional Categories*	17.0%	3.2%
Cash (LIBOR)	1.0%	0.9%
Total	100.0%	

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.

CERS – 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.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 9: POST EMPLOYMENT BENEFIT PLAN, CONTINUED

Discount rate – For CERS, the projection of cash flows used to determine the discount rate of 5.68% for CERS Non-hazardous assumed that local employers would contribute the actuarially determined contributions 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 6.56%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2017. 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 CERS and KTRS proportionate share of net OPEB liability to changes in the discount rate—The following table present the net OPEB liability of the District, calculated using the discount rates selected by each pension system, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage- point higher than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
CERS:	4.68%	5.68%	6.68%
District's proportionate share of net OPEB liability	1,274,121	951,129	685,004
KTRS:	7.00%	8.00%	9.00%
District's proportionate share of net OPEB liability	3,129,000	2,641,000	2,233,000

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:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Districts' net OPEB liability	2,150,000	2,641,000	3,245,000

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 Plan

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

Benefits provided – TRS provides a life insurance benefit of 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 state.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 9: POST EMPLOYMENT BENEFIT PLAN, CONTINUED

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

At June 30, 2020, the Kentucky School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate shares of the net OPEB liability	\$	-
Commonwealth's proportionate share of the net OPEB liability associated with the District		50,000
		50,000
	\$	50,000

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

NOTE 10: 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 Kentucky Employers Mutual Insurance. 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 11: CONTINGENCIES

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

NOTE 12: COBRA

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

NOTE 13: DEFICIT OPERATING/FUND BALANCES

There are no funds of the District that currently have a deficit fund balance. In addition, the following fund had operations that resulted in a current year deficit of expenditures over revenues resulting in a corresponding reduction in fund balance:

Construction Fund	\$	48,279
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NOTE 14: TRANSFER OF FUNDS

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	Special	General	Indirect Costs	\$ 811
Operating	General	Special	KETS	21,033
Operating	Capital Outlay	Debt Service	Bond Payments	107,031
Operating	Building	Debt Service	Bond Payments	510,421
Operating	Building	Construction	Construction Costs	382,221
				\$ 1,021,517

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

NOTE 15: ON-BEHALF PAYMENTS

The following amounts were recognized as on-behalf payments received from the Commonwealth of Kentucky for the year ended June 30, 2020 and recorded in the appropriate revenue and expense accounts on the statement of activities:

TRS - GASB 68	\$ 1,725,742
TRS - GASB 75	129,006
Health Insurance	1,425,008
Life Insurance	2,117
Administrative Fees	17,541
HRA/Dental/Vision	63,525
Technology	65,175
Debt Service	450,837
Less: Federal Reimbursement	<u>(172,065)</u>
 Total	 <u><u>\$ 3,706,886</u></u>

NOTE 16: LITIGATION

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 combined financial statements as a result of the cases presently in progress.

NOTE 17: RESTRICTED NET POSITION

The government-wide statement of net position reports (\$531,299) of restricted net position, none of which is restricted by enabling legislation.

NOTE 18: SUBSEQUENT EVENT

The District's management has evaluated subsequent events through November 12, 2020, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
Revenues:				
Taxes:				
Property	\$ 2,170,500	\$ 2,170,500	\$ 2,239,306	\$ 68,806
Motor vehicle	145,000	145,000	172,200	27,200
Utilities	620,000	620,000	596,600	(23,400)
Other	40,000	40,000	60,041	20,041
Tuition and fees	3,000	3,000	810	(2,190)
Earnings on investments	45,000	45,000	58,862	13,862
Other local revenues	85,706	85,706	157,642	71,936
Intergovernmental - state	4,547,904	4,547,904	8,277,301	3,729,397
Intergovernmental - direct federal	45,000	45,000	83,610	38,610
Total revenues	<u>7,702,110</u>	<u>7,702,110</u>	<u>11,646,372</u>	<u>3,944,262</u>
Expenditures:				
Instruction	4,732,969	4,732,969	6,633,194	(1,900,225)
Support services:				
Student	524,707	524,707	521,362	3,345
Instructional staff	553,912	553,912	703,755	(149,843)
District administration	749,155	749,155	581,650	167,505
School administration	506,411	506,411	714,074	(207,663)
Business support services	196,629	196,629	309,436	(112,807)
Plant operations and maintenance	1,389,401	1,389,401	1,497,765	(108,364)
Student transportation	392,688	392,688	427,198	(34,510)
Contingency	765,227	765,227	-	765,227
Other	500,000	500,000	-	500,000
Total expenditures	<u>10,311,099</u>	<u>10,311,099</u>	<u>11,388,434</u>	<u>(1,077,335)</u>
Excess (deficit) of revenues over expenditures	<u>(2,608,989)</u>	<u>(2,608,989)</u>	<u>257,938</u>	<u>2,866,927</u>
Other financing sources (uses):				
Operating transfers in	-	-	811	811
Operating transfers out	(21,011)	(21,011)	(21,033)	(22)
Total other financing sources (uses)	<u>(21,011)</u>	<u>(21,011)</u>	<u>(20,222)</u>	<u>789</u>
Net change in fund balance	(2,630,000)	(2,630,000)	237,716	2,867,715
Fund balance June 30, 2019	<u>2,630,000</u>	<u>2,630,000</u>	<u>2,739,319</u>	<u>-</u>
Fund balance June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,977,035</u>	<u>\$ 2,867,715</u>

On-behalf payments totaling \$3,098,591 are not budgeted by the Campbellsville Independent School District

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
SPECIAL REVENUE
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Other local revenues	\$ 29,711	\$ 29,711	\$ 21,310	\$ (8,401)
Intergovernmental - state	663,702	583,761	573,477	(10,284)
Intergovernmental - indirect federal	1,491,274	1,641,247	1,611,171	(30,076)
Total revenues	<u>2,184,687</u>	<u>2,254,719</u>	<u>2,205,958</u>	<u>(48,761)</u>
Expenditures:				
Instruction	1,733,780	1,880,384	1,855,883	24,501
Support services:				
Student	-	-	-	-
Instructional staff	233,065	222,385	225,724	(3,339)
District administration	-	-	-	-
School administration	-	-	-	-
Business support services	-	-	-	-
Plant operations and maintenance	5,052	5,052	-	5,052
Student transportation	9,265	9,265	9,867	(602)
Community services	224,536	156,403	134,706	21,697
Land improvements	-	-	-	-
Total expenditures	<u>2,205,698</u>	<u>2,273,489</u>	<u>2,226,179</u>	<u>(47,310)</u>
Excess (deficit) of revenues over expenditures	<u>(21,011)</u>	<u>(18,770)</u>	<u>(20,221)</u>	<u>(1,451)</u>
Other financing sources (uses)				
Operating transfers in	21,011	20,298	21,033	735
Operating transfers out	-	(1,528)	(811)	717
Total other financing sources (uses)	<u>21,011</u>	<u>18,770</u>	<u>20,222</u>	<u>1,452</u>
Net change in fund balance	-	-	-	-
Fund balance June 30, 2019	-	-	-	-
Fund balance June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET PENSION LIABILITY
 June 30, 2020

	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.056564%	0.059641%	0.057112%	0.060788%	0.059168%	0.058408%
District's prportionate share of the net pension liability (asset)	3,978,171	3,632,319	3,342,941	2,992,957	2,543,958	1,895,000
District's covered-employee payroll	1,426,779	1,478,913	1,390,546	1,450,097	1,333,354	1,339,992
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	278.82%	245.61%	240.40%	206.40%	190.79%	141.42%
Plan fiduciary net position as a percentage of the total pension liability	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 276,061	\$ 231,424	\$ 214,147	\$ 193,981	\$ 180,102	\$ 170,003
Contributions in relation to the contractually required contribution	<u>(276,061)</u>	<u>(231,424)</u>	<u>(214,147)</u>	<u>(193,981)</u>	<u>(180,102)</u>	<u>(170,003)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$ 1,430,366	\$ 1,426,779	\$ 1,478,913	\$ 1,390,546	\$ 1,450,097	\$ 1,333,354
Contributions as a percentage of covered-employee payroll	19.30%	16.22%	14.48%	13.95%	12.42%	12.75%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS
For the Year Ended June 30, 2020

Valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method	Level Percent of Pay
Remaining Amortization Period	26 years, Closed
Payroll Growth Rate	2.00%
Investment Return	6.25%
Inflation	2.30%
Salary increases	3.30% to 11.55% varies by service
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with scale BB (set back 1 year for females)

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET PENSION LIABILITY
June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's prportionate share of the net pension liability (asset)	-	-	-	-	-	-
Commonwealth's proportionate share of the net pension liability (asset) associated with the District	<u>22,931,762</u>	<u>22,421,764</u>	<u>46,301,849</u>	<u>50,577,345</u>	<u>38,529,569</u>	<u>37,282,974</u>
Total	<u><u>22,931,762</u></u>	<u><u>22,421,764</u></u>	<u><u>46,301,849</u></u>	<u><u>50,577,345</u></u>	<u><u>38,529,569</u></u>	<u><u>37,282,974</u></u>
District's covered-employee payroll	6,124,066	6,188,128	6,168,249	5,870,549	5,811,668	5,667,954
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.80%	59.30%	34.34%	35.22%	42.49%	45.59%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 145,007	\$ 142,555	\$ 117,623	\$ 124,770	\$ 118,121	\$ 130,437
Contributions in relation to the contractually required contribution	<u>(145,007)</u>	<u>(142,555)</u>	<u>(117,623)</u>	<u>(124,770)</u>	<u>(118,121)</u>	<u>(130,437)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$ 6,339,616	\$ 6,124,066	\$ 6,188,128	\$ 6,168,249	\$ 5,870,549	\$ 5,811,668
Contributions as a percentage of covered-employee payroll	2.29%	2.33%	1.90%	2.02%	2.01%	2.24%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET OPEB LIABILITY
 June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	0.056549%	0.059639%	0.057112%
District's proportionate share of the net OPEB liability (asset)	951,129	1,058,879	1,148,913
District's covered-employee payroll	1,426,779	1,478,913	1,390,546
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	66.66%	71.60%	82.62%
Plan fiduciary net position as a percentage of the total OPEB liability	60.44%	57.62%	52.40%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS - OPEB
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 68,085	\$ 75,050	\$ 69,509
Contributions in relation to the contractually required contribution	<u>(68,085)</u>	<u>(75,050)</u>	<u>(69,509)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,430,366	\$ 1,426,779	\$ 1,478,913
Contributions as a percentage of covered-employee payroll	4.76%	5.26%	4.70%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS OPEB
 For the Year Ended June 30, 2020

NOTE 1 - METHODS AND ASSUMPTIONS USED IN THE ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019 (the most current available):

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	22 years, Closed
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Remaining amortization period	26 years, Closed
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Healthcare cost trend rates:	
Under Age 65	7.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Ages 65 and Older	5.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2021

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET OPEB
LIABILITY - MEDICAL INSURANCE
June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	0.090251%	0.089102%	0.091336%
District's proportionate share of the net OPEB liability (asset)	2,641,000	3,092,000	3,257,000
Commonwealth's proportionate share of the net OPEB liability (asset) associated with the District	<u>2,133,000</u>	<u>2,664,000</u>	<u>2,660,000</u>
Total	<u>4,774,000</u>	<u>5,756,000</u>	<u>5,917,000</u>
District's covered-employee payroll	6,124,066	6,188,128	6,168,249
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	43.12%	49.97%	52.80%
Plan fiduciary net position as a percentage of the total OPEB liability	32.58%	25.50%	21.18%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS - OPEB MEDICAL INSURANCE
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 145,007	\$ 157,167	\$ 158,719
Contributions in relation to the contractually required contribution	<u>(145,007)</u>	<u>(157,167)</u>	<u>(158,719)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,339,616	\$ 6,124,066	\$ 6,188,128
Contributions as a percentage of covered-employee payroll	2.29%	2.57%	2.56%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - KTRS OPEB
 For the Year Ended June 30, 2020

NOTE 1 - METHODS AND ASSUMPTIONS USED IN THE ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019 (the most current available):

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	22 years, Closed
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Remaining amortization period	26 years, Closed
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Healthcare cost trend rates:	
Under Age 65	7.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Ages 65 and Older	5.50% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2021
Medicare Part B Premiums	0.00% for FYE 2018 with an ultimate rate of 5.00% by 2030

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE KTRS NET OPEB
LIABILITY - LIFE INSURANCE
June 30, 2020

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%
District's prportionate share of the net pension liability (asset)	-	-	-
Commonwealth's proportionate share of the net pension liability (asset) associated with the District	<u>50,000</u>	<u>46,000</u>	<u>36,000</u>
Total	<u><u>50,000</u></u>	<u><u>46,000</u></u>	<u><u>36,000</u></u>
District's covered-employee payroll	6,124,066	6,188,128	6,168,249
District's proportionate share of the net pension liability (asset) as a percentage of it covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	75.00%	79.99%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS TO KTRS - OPEB LIFE INSURANCE
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,339,616	\$ 6,124,066	\$ 6,188,128
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%

*The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - KTRS NET OPEB LIABILITY - LIFE INSURANCE
For the Year Ended June 30, 2020

NOTE 1 - METHODS AND ASSUMPTIONS USED IN THE ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019 (the most current available):

Valuation date	June 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization Period	30 years, Open
Asset valuation method	Five-year smoothed value
Inflation	3.50%
Real Wage Growth	0.50%
Wage Inflation	4.00%
Salary increases, including wage inflation	4.00% - 8.10%
Discount Rate	7.50%
Healthcare cost trend rates:	
Under Age 65	7.75% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Ages 65 and Older	5.75% for FYE 2018 decreasing to an ultimate rate of 5.00% by FYE 2024
Medicare Part B Premiums	0.00% for FYE 2018 with an ultimate rate of 5.00% by 2030

OTHER SUPPLEMENTARY INFORMATION

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2020

	SEEK Capital Outlay Fund	FSPK Building Fund	Construction Fund	Total Non-Major Governmental Funds
Assets and resources:				
Cash and cash equivalents	\$ -	\$ -	\$ 465,434	\$ 465,434
Accounts receivable:				
Taxes - current	-	-	-	-
Other accounts receivable	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - direct federal	-	-	-	-
Intergovernmental - indirect federal	-	-	-	-
Total assets and resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465,434</u>	<u>\$ 465,434</u>
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-
Current portion of accrued sick leave	-	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted - future construction	-	-	465,434	-
Assigned - purchase obligations	-	-	-	-
Unassigned fund balance	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>465,434</u>	<u>465,434</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465,434</u>	<u>\$ 465,434</u>

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2020

	SEEK Capital Outlay Fund	FSPK Building Fund	Construction Fund	Total Non-Major Governmental Funds
Revenues:				
Taxes:				
Property	\$ -	\$ 456,768	\$ -	\$ 456,768
Earnings on investments	-	-	-	-
Intergovernmental - state	107,031	435,874	-	542,905
Total revenues	<u>107,031</u>	<u>892,642</u>	<u>-</u>	<u>999,673</u>
Expenditures:				
Building acquisitions & construction	-	-	-	-
Building improvements	-	-	430,500	430,500
Total expenditures	<u>-</u>	<u>-</u>	<u>430,500</u>	<u>430,500</u>
Excess (deficit) of revenues over expenditures	<u>107,031</u>	<u>892,642</u>	<u>(430,500)</u>	<u>569,173</u>
Other financing sources (uses)				
Operating transfers in	-	-	382,221	382,221
Operating transfers out	<u>(107,031)</u>	<u>(892,642)</u>	<u>-</u>	<u>(999,673)</u>
Total other financing sources (uses)	<u>(107,031)</u>	<u>(892,642)</u>	<u>382,221</u>	<u>(617,452)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(48,279)	(48,279)
Fund balance June 30, 2019	<u>-</u>	<u>-</u>	<u>513,713</u>	<u>513,713</u>
Fund balance June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465,434</u>	<u>\$ 465,434</u>

SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
SCHOOL ACTIVITY FUNDS

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
CAMPBELLSVILLE INDEPENDENT SCHOOL ACTIVITY FUNDS
For The Year Ended June 30, 2020

	Cash Balance July 1, 2019	Receipts Actual	Disbursements Actual	Cash Balance June 30, 2020	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2020
<u>High School</u>							
General Fund	\$ 405	\$ 1,404	\$ 1,059	\$ 750	\$ -	\$ -	\$ 750
Good Behavior	23	-	-	23	-	-	23
Pictures	84	116	-	200	-	-	200
Text Book	98	-	-	98	-	-	98
Credit Recovery	-	-	-	-	-	-	-
Virtual School	-	-	-	-	-	-	-
Field Trips	65	630	636	59	-	-	59
Teachers Lounge	23	-	23	-	-	-	-
Snacks	360	1,357	1,510	207	-	-	207
Soft Drinks	15	-	15	-	-	-	-
Staff Fund	54	689	588	155	-	-	155
Esports	-	300	75	225	-	-	225
Youth Basketball	-	5,103	5,103	-	-	-	-
Honor Society	142	40	178	4	-	-	4
Academic Team	34	83	116	-	-	-	-
Gifted and Talented	49	-	-	49	-	-	49
FEA	124	-	124	-	-	-	-
FCA	12	124	112	24	-	-	24
Band	628	19,481	19,831	278	-	-	278
FCSS Class Account	2	436	406	32	-	-	32
Pep Club	-	2,758	2,751	7	-	-	7
Kentucky Youth Association	210	120	120	210	-	-	210
Y-Club	-	11,228	11,228	-	-	-	-
SADD	138	-	138	-	-	-	-
Student Council	726	-	589	137	-	-	137
BETA	591	12,682	13,110	164	-	-	164
Spanish	-	-	-	-	-	-	-
Purple Pep Club	50	822	872	-	-	-	-
National Honors Art	28	618	88	557	-	-	557
FCCLA	365	828	504	689	-	-	689
Drama Club	6	210	192	25	-	-	25
FMD Class	15	-	-	15	-	-	15
STLP	424	496	312	608	-	-	608
Chorus	665	386	1,051	-	-	-	-
Biology	-	-	-	-	-	-	-
Athletics	1,373	40,516	41,889	-	-	-	-
Boys Basketball	-	6,739	5,392	1,346	-	-	1,346
Girls Basketball	-	13,164	7,220	5,943	-	-	5,943

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES - CONTINUED
CAMPBELLSVILLE INDEPENDENT SCHOOL ACTIVITY FUNDS
For The Year Ended June 30, 2020

	Cash Balance July 1, 2019	Receipts Actual	Disbursements Actual	Cash Balance June 30, 2020	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2020
<u>High School</u>							
Football	\$ -	\$ 12,685	\$ 11,339	\$ 1,346	\$ -	\$ -	\$ 1,346
Tennis	-	2,255	1,209	1,046	-	-	1,046
Golf	-	2,624	1,636	988	-	-	988
Volleyball	-	4,758	2,164	2,593	-	-	2,593
Fishing Team	203	245	156	292	-	-	292
Track	23	621	60	584	-	-	584
Cross Country	-	966	876	90	-	-	90
Bowling Team	-	1,330	1,330	-	-	-	-
Baseball	-	20,686	15,884	4,802	-	-	4,802
Softball	-	11,028	9,381	1,647	-	-	1,647
Swim Team	-	3,870	3,236	634	-	-	634
Soccer	-	2,190	1,701	489	-	-	489
Cheerleaders	3,350	6,475	8,085	1,740	-	-	1,740
Dance Team	66	-	66	-	-	-	-
Heartland Conference Account	236	1,200	502	934	-	-	934
Athletic Special Event	-	34,889	34,889	-	-	-	-
Youth Football	1,968	13,960	15,928	-	-	-	-
Purple Pride Club	-	25,673	22,783	2,890	-	-	2,890
20th District Events	-	-	-	-	-	-	-
Athletic Sweep	200	70,712	70,636	276	-	-	276
Class of 2023	-	50	-	50	-	-	50
Start Up Account	-	21,536	21,536	-	-	-	-
Boys Basketball Fundraisers	581	8,705	9,286	-	-	-	-
Girls Basketball Fundraisers	5,034	3,140	8,174	-	-	-	-
Football Fundraisers	154	26,765	26,919	-	-	-	-
Tennis Fundraisers	139	135	274	-	-	-	-
Girls Golf Fundraiser	3	-	3	-	-	-	-
Volleyball Fundraisers	548	6,212	6,760	-	-	-	-
Boys Golf Fundraiser	714	410	1,124	-	-	-	-
Track Fundraisers	260	360	620	-	-	-	-
Cross Country Fundraiser	90	-	90	-	-	-	-
Baseball Fundraisers	1,348	11,901	13,249	-	-	-	-
Softball Fundraisers	1,045	6,256	7,301	-	-	-	-
Swimming Fundraisers	-	588	588	-	-	-	-
Soccer Fundraisers	2,435	4,025	6,460	-	-	-	-
Girls Golf	-	3	-	3	-	-	3
Softball Concessions	-	6,063	6,063	-	-	-	-

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES - CONTINUED
CAMPBELLSVILLE INDEPENDENT SCHOOL ACTIVITY FUNDS
For The Year Ended June 30, 2020

	Cash Balance July 1, 2019	Receipts Actual	Disbursements Actual	Cash Balance June 30, 2020	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2020
<u>High School</u>							
Baseball Concessions	\$ -	\$ 13,940	\$ 13,940	\$ -	\$ -	\$ -	\$ -
Volleyball Concessions	156	1,995	2,151	-	-	-	-
Soccer Concessions	-	1,140	1,140	-	-	-	-
Yearbook	1,107	3,659	4,766	-	-	-	-
Counselor	653	1,497	1,461	689	-	-	689
Media Center	9	-	-	9	-	-	9
Senior	244	32	122	154	-	-	154
Junior	692	-	100	592	-	-	592
Project Graduation	413	7,260	7,212	461	-	192	269
Class of 2020	1,797	-	1,513	284	-	-	284
Class of 2021	951	-	-	951	-	-	951
Class of 2022	83	-	80	3	-	-	3
Anne Fraim Scholarship	172	-	-	172	-	-	172
Campbellsville High School	31,383	462,166	458,025	35,524	-	192	35,332
Campbellsville Middle School	18,447	126,320	117,806	26,961	-	828	26,133
Campbellsville Elementary	27,255	63,158	63,548	26,865	740	-	27,605
Totals	<u>\$ 77,085</u>	<u>\$ 651,644</u>	<u>\$ 639,379</u>	<u>\$ 89,350</u>	<u>\$ 740</u>	<u>\$ 1,020</u>	<u>\$ 89,070</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2020

	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Disbursements</u>
U.S. Department of Education			
Passed Through the Kentucky Council on Postsecondary			
Adult Education-Basic Grants to States	84.002	Not Available	\$ 18,278
Adult Education-Basic Grants to States	84.002	Not Available	36,616
Adult Education-Basic Grants to States	84.002	Not Available	1,392
Adult Education-Basic Grants to States	84.002	Not Available	31,650
Adult Education-Basic Grants to States	84.002	Not Available	<u>12,009</u>
Total Passed Through the Kentucky Council on Postsecondary Education			99,945
U.S. Department of Education			
Passed Through Kentucky Department of Education:			
Title I Grants to Local Educational Agencies	84.010	3100002-18	214,990
Title I Grants to Local Educational Agencies	84.010	3100002-18	5,971
Title I Grants to Local Educational Agencies	84.010	3100002-19	671,822
Title I Grants to Local Educational Agencies	84.010	3100002-19	6,105
School Improvement Part A - Educational Recovery Staff	84.010	3100202-18	<u>125,405</u>
			1,024,293
Special Education Cluster:			
Special Education-Grants to States	84.027	3810002-18	30,721
Special Education-Grants to States	84.027	3810002-19	244,742
Special Education - Preschool Grants	84.173	3800002-18	<u>35,251</u>
Total Special Education Cluster			310,714
Career and Technical Education-Basic Grants to States			
Career and Technical Education-Basic Grants to States	84.048	3710002-19	15,358
Career and Technical Education-Basic Grants to States	84.048	3710002-19	<u>499</u>
			15,857
Rural Education			
	84.358	3140002-19	<u>12,562</u>
			12,562
Supporting Effective Instruction State Grants			
	84.367	3230002-19	<u>70,859</u>
			70,859
Student Support and Academic Enrichment Program			
Student Support and Academic Enrichment Program	84.424	3420002 18	13,563
Student Support and Academic Enrichment Program	84.424	3420002 19	27,775
Student Support and Academic Enrichment Program	84.424	3420002 19	<u>35,743</u>
			77,081
Total U.S. Department of Education			
passed Through Kentucky Department of Education			<u>1,511,366</u>
Totals for U.S. Department of Education			
			1,611,311

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
For The Year Ended June 30, 2020

	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Disbursements</u>
U.S. Department of Agriculture			
Passed Through Kentucky Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	7760005 19	\$ 42,731
School Breakfast Program	10.553	7760005 20	127,134
National School Lunch Program	10.555	7750002 19	118,261
National School Lunch Program	10.555	7750002 20	325,494
Summer Food Service Program for Children	10.559	7690024 20	17,025
Summer Food Service Program for Children	10.559	7740023 20	198,735
Total Child Nutrition Cluster			<u>829,380</u>
Child and Adult Care Food Program	10.558	7790021 19	4,866
Child and Adult Care Food Program	10.558	7790021 20	41,193
Child and Adult Care Food Program	10.558	7800016 19	339
Child and Adult Care Food Program	10.558	7800016 20	2,869
			<u>49,267</u>
State Administrative Expenses for Child Nutrition	10.560	7700001 19	1,515
			<u>1,515</u>
Total U.S. Department of Agriculture			
Passed Through Kentucky Department of Education:			880,162
Passed Through Kentucky Department of Agriculture:			
Commodity Supplemental Food Program	10.565	Not Available	44,862
Totals for U.S. Department of Agriculture			<u>925,024</u>
Total Federal Financial Assistance			<u>\$ 2,536,335</u>

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Campbellsville Independent 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 Requirement for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Campbellsville Independent School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the Campbellsville Independent 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.

NOTE C – INDIRECT COST RATE

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

NOTE D – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair value of the commodities disbursed.

NOTE E – SUBRECIPIENTS

There were no subrecipients during the fiscal year.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of audit issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None Noted

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs?

- Material weakness(es) identified? _____ Yes X No
- Significant Deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None Noted

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559 84.027, 84.173	U.S. Department of Education Passed through the Kentucky Department of Education: Child Nutrition Cluster 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 of Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

CAMPBELLSVILLE INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2020

Financial Statement Findings

No matters were reported

Federal Award Findings and Questioned Costs:

No matters were reported

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 *GOVERNMENTAL AUDITING STANDARDS*

Kentucky State Committee for School District Audits
Members of the Board of Education
Campbellsville Independent School District
Campbellsville, KY 42718

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the requirements prescribed by the Kentucky State Committee for School District Audits *Independent Auditor's Contract* in Appendices I, and II of 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 Campbellsville Independent School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Campbellsville Independent School District's basic financial statements and have issued our report thereon dated November 12, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Campbellsville Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in the *State Audit Requirements* section of the *Independent Auditor's Contract*.

Kentucky State Committee for School District Audits
And Members of the Board of Education of
Campbellsville Independent School District
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We also noted other matters that we reported to management of Campbellsville Independent School Board of Education in a separate letter dated November 12, 2020.

Purpose of this Report

The purpose of this report is to solely describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide and opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, KY
November 12, 2020

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

Kentucky State Committee for School District Audits
Members of the Board of Education
Campbellsville Independent School District
Campbellsville, KY 42718

Report on Compliance for Each Major Federal Program

We have audited Campbellsville Independent 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 Campbellsville Independent School District's major federal programs for the year ended June 30, 2020. Campbellsville Independent 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 requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Campbellsville Independent 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the audit requirements prescribed by the Kentucky State Committee for Schools District Audits Independent Auditor's Contract, 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 Campbellsville Independent 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 on Campbellsville Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Campbellsville Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Campbellsville Independent 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 Campbellsville Independent 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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Campbellsville Independent 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Wise, Buckner, Sprowles & Associates PLLC

Wise, Buckner, Sprowles & Associates PLLC
Certified Public Accountants

Campbellsville, Kentucky
November 12, 2020

MANAGEMENT LETTER

To the Members of the Board of Education and
Kirby Smith, Superintendent
of Campbellsville Independent School District

In planning and performing our audit of the financial statements of the Campbellsville Independent School District for the year ended June 30, 2020, 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 matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. Any uncorrected comments from the prior year have been included in the memorandum. A separate report dated November 12, 2020, contains our report on the District's internal control. This letter does not affect our report dated November 12, 2020, on the financial statements of the Campbellsville Independent 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 for the information of members of the Kentucky State Committee for School District Audits, the members of the Board of Education of Campbellsville Independent School District, the Kentucky Department of Education, management 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.

Wise, Buckner, Sprowles & Associates, PLLC

Wise, Buckner, Sprowles & Associates, PLLC
Certified Public Accountants

Campbellsville, KY
November 12, 2020

PRIOR YEAR COMMENTS

CAMPBELLSVILLE ELEMENTARY SCHOOL

Condition - Auditor experienced difficulty obtaining the year-end Account Detail summary and AFR due to improper closing procedures.

Current Year Observation – This was not noted as an issue during the current audit

CAMPBELLSVILLE MIDDLE SCHOOL

Condition- During our test of receipts for the middle school it was noted that out of a sample population of twenty-four (24) receipts only one(1) multiple receipt form was signed by the student. The Redbook requires that student’s third grade and above must sign the Multiple Receipt Form.

Current Year Observation – This was not noted as an issue during the current audit

Condition– During our test of disbursements, out of a sample population of twenty-five (25) disbursements, we found three (3) exceptions in which the P.O. was approved after the purchase.

Current Year Observation – This was not noted as an issue during the current audit

Condition – In our procedures to search for unrecorded accounts payable, we found two (2) expenses of which were by definition accounts payable but not recorded as such by the bookkeeper. The invoices were dated in June for rooms for the Beta National Convention.

Current Year Observation – This was not noted as an issue during the current audit

CAMPBELLSVILLE HIGH SCHOOL

Condition– During our test of receipts for the high school, out of a sample population of forty (40) receipts tested, we found two (2) exceptions in which the students were not signing the multiple receipt form from the Girls Basketball activity fund.

Current Year Observation – This was not noted as an issue during the current audit

CURRENT YEAR COMMENTS

CAMPBELLSVILLE MIDDLE SCHOOL

Finding #1 – In our test performed for Fundraisers, we found two (2) fundraisers that were approved after the start date of the fundraiser.

Recommendation – We recommend that the school bookkeeper and activity fund sponsors attend additional Redbook training concerning the proper approval procedures of fundraisers.

Management response – District Finance Officer will review Redbook procedures and provide additional training with Principal and Bookkeeper