



COMPREHENSIVE ANNUAL FINANCIAL REPORT

*Board Of Education Of
Jefferson County, Kentucky*

For the Year Ended June 30, 2018

Prepared By:

Department of Financial Services

Marty Pollio, Ed. D., Superintendent

J. Cordelia Hardin, Chief Financial Officer/Treasurer



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JEFFERSON COUNTY PUBLIC SCHOOLS
 Board of Education of Jefferson County, Kentucky
 For the Fiscal Year Ended June 30, 2018

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CURRENT INITIATIVES



LETTER OF TRANSMITTAL



BOARD MEMBER DATA



EVIDENCE OF SUCCESS



ORGANIZATIONAL CHART



INTRODUCTORY SECTION



Letter of Transmittal

November 6, 2018

The Board of Education of Jefferson County, Kentucky Jefferson County Public School District Louisville, Kentucky

We hereby submit the Comprehensive Annual Financial Report (CAFR) for Jefferson County Public Schools (the “District”), a K-12 public school system, for the year ended June 30, 2018. The completeness, accuracy, and clarity of these financial statements and data herein are the responsibility of the District’s Chief Financial Officer.

This CAFR is presented in three distinct sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal, a list of our Board Members and an organizational chart. The reader may use this information to understand the District and our financial condition. Accordingly, we will discuss the Jefferson County economy and tax base, a brief history of the District and education in Kentucky, and our major accomplishments.

The Financial Section contains the general purpose financial statements. Annual audits are required legally by Kentucky Revised Statute 156.265. These statements were audited by Strothman & Company PSC, an independent Certified Public Accounting firm. Their opinion is included on page 1 of the financial section. We would like to direct the reader to Management’s Discussion and Analysis on pages 4 – 13 of the financial section. This provides an introduction to the financial statements and some financial highlights.

The Statistical Section presents numerous unaudited tables designed to present more detail and trends apparent within the District and Jefferson County.

The report has been prepared by the Finance Department following the requirements and guidelines prescribed by the Governmental Accounting Standards Board and recommended by the Government Financial Officers Association. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial activity have been included.



Personalized and engaging learning experiences

Economic Outlook

As discussed further on page 13 of the Management’s Discussion and Analysis in the Financial Section, Jefferson County has a diverse and strong economy but is affected by national economic trends. The District receives its revenue largely from two sources related to the economy: locally-assessed real estate and property taxes, and locally-



assessed occupational taxes. Additionally, the District receives state revenues derived from state income taxes, sales taxes and other taxes, but these state revenues are subject to many non-economic factors, such as political considerations and an allocation formula based on local revenue, student attendance, and transportation expenses. Beyond these sources, we also receive grant and general revenues from federal, state, local government, and private sources that are either unqualified gifts or grants based on non-tax determinants.

Real estate and personal property, other than automobile, taxes are assessed by the Property Valuation Administrator (PVA) annually, and the value is set as of January 1. After taxpayers are afforded a period to dispute the assessment, bills are prepared by the Jefferson County Sheriff and sent to the taxpayers on November 1. Real estate taxes, the largest in this total, typically show an increase in both assessments and tax rate. With growth in parts of Jefferson County and typical housing appreciation, local real estate taxes are becoming a greater percent of our revenues each year as their growth outpaces other revenues. Motor vehicle taxes are assessed as of January 1 of each year. The PVA office uses standardized guides, provided by the Department of Revenue, to determine the value of a vehicle or boat. For years, the District has levied the statutory maximum motor vehicle tax rate, and increases are derived from assessment increases alone. See the Statistical Section for more details and trend analyses on these taxes.

Locally assessed occupational taxes are levied upon Jefferson County residents who work within Jefferson County at a rate of .75% of salary. This tax tends to be an accurate barometer of the local workforce, and, in some ways, the strength of the local economy. In reviewing past years' revenues, the reader may notice the correlation between occupational tax revenues and the greater United States economy.

State revenues are based on a variety of state taxes and are allocated to the District based on a variety of factors. First, the Commonwealth of Kentucky is inherently a political entity, and the budget is allocated accordingly. Education continues to be a priority of the current government leaders, though funding levels lag behind many adjacent states. Funds are allocated to the various Kentucky school districts by a statutory formula introduced in

the Kentucky Educational Reform Act, which is discussed later in this section.

Jefferson County has a long history as a central transportation hub, which fostered a manufacturing center for durable goods, including appliances, cars and trucks. In recent decades, the economy has diversified and is now the home of three *Fortune* 500 companies, including Yum! Brands, which includes KFC, Taco Bell, and Pizza Hut, Kindred Healthcare, and Humana Inc. Additionally, headquartered in Louisville are Papa John's International Inc. pizza restaurants, and Brown-Forman, makers of numerous beverages such as Jack Daniels Tennessee Whiskey. Louisville is also home to the Churchill Downs, United Parcel Service's ("UPS") Worldport Facility, employing over 20,000, two Ford plants, and General Electric's Appliance Park.

Overall, the Jefferson County economy is strong.

<u>Total Population</u>	
2013	757,715
2014	760,703
2015	763,509
2016	765,352
2017	771,158

Source: U.S. Department of Commerce, Bureau of the Census

Although long-ranging challenges exist, the District's current finances are strong as well. We aspire to achieve great things in public education. To do this, we must set high goals and be strict stewards of the public funds we have. We believe in budgeting conservatively, which allows us to make continual improvements even during sluggish economies.

In order to achieve far-reaching goals, we must maintain far-reaching funding plans. At any time, we forecast instructional needs and financial trends five years into the future. Additionally, we survey the facility needs of our entire district over the next four years. Each project is prioritized by a committee, and only the top priority projects are funded.

As described further in Note F, the District is challenged by pervasively underfunded or underperforming pension plans in which our employees participate. Although the District has made all required contributions at actuarially-determined rates, failure to do so by the Kentucky legislature and subpar investing performance has created a financial contingency to both the District and the state. This creates a significant level of financial uncertainty that may necessitate drastic corrections in future budget periods.

The current initiatives discussed on pages xi and xii of this Introductory Section are major undertakings that may require dedication over many years. As a practice, we pair our recurrent revenue budget with our recurrent expense budget to eliminate liquidity concerns. In addition, all planning is done in concert with our research team to ensure that funds are allocated to programs that get results.



Prepared, empowered, and inspired!

We also place great emphasis on internal controls. School districts have inherent weaknesses in financial structure, with funds being collected at numerous locations and where optimal segregation of duties is not always practical. However, because the cost of internal control should not exceed the anticipated benefits, the objective of these controls is to provide reasonable, rather than absolute, assurance that District assets are protected and that our financial statements are free of material misstatement. To offset our inherent risks, the District is committed to strengthening its controls at the central office level, where 99% of revenues are received, and reviewing satellite offices and schools regularly. Central office uses positive pay for its disbursements and staff review bank information daily. Accordingly, the bank accounts are reconciled by the third day after the end of the month. Schools are audited every year. We maintain an anonymous fraud hotline to safeguard our assets. Currently, we are tightening segregation of duties and internal controls at satellite offices.

Our Ethics Guidelines further solidify the District's commitment to always act in the highest ethical manner to preserve the public trust. These guidelines reflect Vision 2020 and our core values especially relating to respect, diversity, and stewardship.

History of Public Education in Jefferson County

On April 24, 1829, the City of Louisville established the first public schools for children under sixteen years of age and constructed the first school the following year. Although Louisville's charter specified that education would be free, a tuition of \$1 for primary grades and \$1.50 for other grades was assessed. By 1838, the City of Louisville had a full-service school system. Also in 1838, the remaining areas of Jefferson County outside of the City of Louisville incorporated the Common Schools of Jefferson County school district.

In 1870, Louisville Public Schools established its first two schools for African American students, bringing its enrollment up to 13,502. By this time, the Common Schools of Jefferson County operated 68 schools,



including 10 for African Americans. Both districts continued to grow consistently over the decades.

In 1956, all public schools in Louisville and Jefferson County were desegregated at a time when the Louisville Public Schools were 26% African American and the Jefferson County Schools were 4% African American. By court order on April 1, 1975, the Louisville Public Schools and the Jefferson County Public Schools merged into the present Jefferson County Public Schools district in order to address the racial disparity.

At that time, it was determined that all schools in the new district must maintain racial diversity with the minority population between 15% and 50%. In June 2007, the United States Supreme Court held that some aspects of our student assignment plan did not satisfy the Court's "narrow tailoring" requirement. In May 2008, the District unanimously approved a revised student assignment plan which became effective for the 2009-2010 school year. The new plan uses socio-economic factors including educational attainment, household income, and race averages of a student's geographic region as factors when assigning students to schools other than their home school.

The Kentucky Education Reform Act ("KERA") of 1990 formed the basis for massive change to the state's educational system. One of the most comprehensive, statewide restructuring efforts ever attempted in the United States, KERA changed the formula by which Kentucky school districts receive state funding in an effort to achieve equity and educational adequacy regardless of each district's local economic base. KERA created a Site-Based Decision-Making Council system. Each school would have such a council consisting of parents, teachers, and administrators of the school, who would oversee the financial and instructional decisions of the school and hire the Principal. KERA also established a state-wide accountability system that continues to evolve to meet student needs.

Through the resulting emphasis on data-driven educational accountability, Kentucky has gained a reputation as a cutting edge educational system focusing on accountability. The District, as well, has many years of assessment data. We continuously review our curriculum and initiatives to

ensure Jefferson County children are being educated to the height of their ability.



Instruction that inspires!

Jefferson County Public School District Today

The current District is very different than our beginnings. We continue to strive for excellence in our educational and financial operations. As much as the world has changed, so too has District.

Financially, we adjust conservatively to confront economic challenges, and still have sufficient fund balances to continue our plans for the future. We have a policy of reviewing vacancies, especially central office vacancies, to continuously strive for efficiency. We have reviewed many of our purchasing and distribution systems and made efficiency improvements. Our aim is to efficiently and completely support those who provide services to our students.



We have 99,244 students:

High	28,863
Middle	20,726
Elementary	37,453
Kindergarten	6,217
Preschool	3,567
Special Schools	2,418

We have 155 schools and learning centers:

High	18
Middle	23
Elementary	91
Special Needs	10
Other Learning Centers	14

We project that our enrollment is stable, with our 2018-19 forecast of approximately 99,800 students.

Our schools were founded based on the neighborhood schools concept. The majority of our schools are off the major thoroughfares back in neighborhoods, where traffic disruptions are minimized, and as many children can walk to school as possible. As Jefferson County has grown to its current size and complexity, the District has found the need to increase its educational and environmental offerings. While students have the opportunity to attend a school within their regional cluster and a regular school program, they have many additional choices of schools and programs to best fit their needs and wants.

School Choice: A core philosophy within the District is that parents should be allowed to choose the program and the school their child attends. We feel this allows students and their parents the opportunity to meet certain educational needs based on the individual child. Our schools are also able to differentiate themselves if the Site-Based Decision Making Council and the elected Jefferson County Board of Education approves the change.

The district embraces many different schools and programs to meet students’ diverse needs, interests, and learning styles.



All schools are resourced and equipped to support student needs

Regular Program: Most schools offer a regular curriculum in a typical school setting. This program is the choice of the majority of our parents and gives the Site-Based Decision Making Council much educational latitude.

Magnet and Optional Programs: The District believes that not all students have the same interests or learn in the same way. We offer choices that let elementary, middle, and high school students select a specialized learning environment or a program that focuses on a particular subject.

Magnet Schools and Programs include traditional schools, Montessori schools, magnet programs, and magnet career academies. Traditional schools require uniforms, daily homework, and parent involvement. They teach at grade level in a structured classroom environment. The Montessori approach to learning is designed to encourage critical thinking, exploration, and self-directed education. Magnet programs offer specialized foci incorporated into the curriculum, such as performing arts, math & science, technology, early college, or International Baccalaureate. Magnet career

academies offer high school students programs that focus on training for a specific career. There are more than a dozen magnet career academies, and most of them offer multiple career programs. Many of our magnet career academies have received national recognition in their program area. Fifteen of our high schools have Professional Career Theme Programs in such disciplines as Aerospace, Medicine, Engineering, Information Technology and the Environment.

Optional Program is a small, specialized program within a school, such as Creative Arts and Global Communications Optional Program.

Advance Program is for academically gifted students. It stimulates talented young people to stretch their abilities and requires schools to be creative in providing a range of educational opportunities that promote excellence for each child.



Adults model integrity, respect, creativity, and accountability

Alternative Schools:

Binet School: A center which provides successful learning experiences for those students with multiple disabilities who need a more structured and supportive environment.

Breckinridge Metro High: A high school whose students have been referred to the school by the office of student services, the department of juvenile justice and/or other state and county agencies because of code violations in the regular schools or are court ordered to attend.

Churchill Park School: This special school serves students with moderate to severe functional mental disabilities from ages five to twenty-one. While following state mandated core content, the program focuses on functional life skills, community-based instruction, and occupational work experience that will allow students to access and be successful in their immediate environment.

Jefferson County High School: An open-entry/open-exit program that provides an opportunity for students to obtain a high school diploma by attending classes on a flexible schedule. Paper-Pencil Curriculum: Students study a curriculum, which is individualized, self-paced and teacher-designed. Independent Study through Correspondence: Students are provided the opportunity to complete a traditional, textbook-based curriculum by correspondence from anywhere in the world. Online Curriculum: *JCPSeSchool* is an internet-based curriculum offered to students worldwide.

Minor Daniels Academy: Middle school and high school students with behavioral challenges may be assigned to Minor Daniels Academy. This school uses restorative pathways to create a supportive environment with the goal that students may return to their home schools.

The Phoenix School of Discovery: Established under the federal guidelines of No Child Left Behind, this school relies heavily on technology to prepare students in grades 6-12 to reach state proficiency levels.

Liberty High: A nontraditional, safety-net school that serves students who meet any of the following criteria:

- One year of high school with fewer than five credits
- One to four years in high school and have fewer than 14 credits
- Frequently absent from school
- Failed four or more classes
- At least 16 years old
- Prefer hands-on, collaborative learning
- Prefer a flexible daily/yearly schedule
- Desire a work-based educational component
- Have diverse learning preferences and whose talents are not being developed.

State Agency Schools: Thirteen unique residential and day treatment centers that work collaboratively with treatment partners to provide a therapeutic or rehabilitative school environment. Students are placed in the State Agency Children’s Program through court commitment, psychiatric hospitalization, or identified need for long term treatment of emotional or behavioral problems.

Georgia Chaffee Teenage Parent Program: A school designed to prevent school dropout due to teen pregnancy and parenting for middle and high school students. This award-winning program includes home-school coordinators and regular classroom instruction with a hospital-quality nursery.

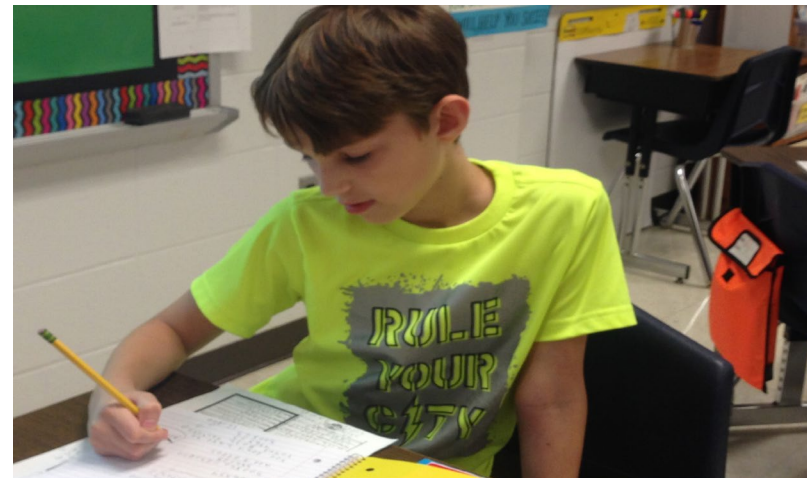
Waller-Williams Environmental: A special school for students with severe and profound emotional and/or behavioral disabilities. Serving K-8th grade in a highly structured environment, this school utilizes a behavior management system where students earn tokens for good behavior and may use these tokens to purchase items in the school store.

Youth Performing Arts School (YPAS): One of only 100 schools of its kind in the nation. YPAS offers courses in dance, theater acting, musical theater,

vocal music, piano, concert band, concert orchestra, visual arts, design and production. Students take their academic classes at an adjacent JCPS high school.

Adult Education: Total Adult Education enrollment in Adult Basic Education/General Education Development (GED) Program was 4,422 earning 243 GED Certificates.

- GED, Basic Skills & Family Ed: Free classes to prepare for the GED test and upgrade basic skills.
- English as a Second Language: Free classes for adults to improve communications skills.
- Lifelong Learning: More than 250 leisure-learning and career-enhancing classes. Online courses are available.
- Workforce Services: Training and assessment services for individuals, business, and industry.



A safe and welcoming learning community

Current Initiatives

The District is moving forward with unparalleled momentum into a bright future by focusing on three main pillars: Positive Culture & Climate, the Backpack of Success Skills, and the Racial Equity Policy. These initiatives set JCPS apart as a model for many other districts nationwide to emulate in order to achieve success in every area of influence. In addition to academic achievement, education should also prepare a child to become a productive member of the workforce, to promote the common good in society, to become a responsible citizen, and to aide in reducing inequalities.

Positive Climate and Culture: From the classroom to the school office to the athletic fields to the administrative support offices, great accomplishments begin as confident actions are performed by empowered employees.



Adults model integrity, respect, and responsibility

As a school district, any weaknesses in the system could detract from instruction or other services to students and would be unacceptable. All staff must come together to work with a passion for the students we are serving and focus on our mission and vision. This is the only way we can be confident in our success and convey that confidence to the parents entrusting us with their children. All District employees should embody the philosophy, “We love our job, and we are very good at it.”

Deeper Learning: To increase student learning and truly achieve equity in each and every classroom, we are focused on creating experiences so that every student is genuinely engaged in his or her learning journey. We know our best chance for maximizing student engagement will occur only when we personalize the instructional content so that it is meaningful for each student, and deliver it in a collaborative environment, one that promotes student agency and authentic learning through the application of content and skills.

Restorative Practices: The aim of Restorative Practices is to develop the school community and to manage conflict and tensions by repairing harm and restoring relationships. Restorative Practices is currently being implemented in 20 schools with additional schools trained each year as the district continues to scale this initiative. There are several components that are used when implementing: Social Discipline Window, Fair Process, Behavior Practices Continuum (use of Restorative Circles), and Psychological Affect. By integrating these components, schools are able to operate as a restorative school, which builds and restores positive relationships. The underlying premise of RP is that people will make positive changes when those in positions of authority do things with them rather than to them or for them. According to the Social Discipline Window, a restorative approach requires a balance of high levels of control/limit setting with high levels of support, encouragement, and nurturing.

Backpack of Success Skills: Under the new leadership of JCPS, Dr. Pollio has launched the Backpack of Success Skills initiative where students will show how they have become effective communicators, emerging



innovators, prepared and resilient learners, globally and culturally competent citizens and productive collaborators. At the end of key transition points in their education (5th, 8th and 12th grades), students will have the opportunity to defend what they've learned thus far in their educational journey using the evidence in their virtual backpack. This endeavor is a critical component of the district's Vision 2020, which includes a targeted focus on improving student literacy and increasing high school graduation rates. Engaging every student, every day, in meaningful learning is the goal. JCPS is excited to see the transformation in our classrooms as more students are prepared, empowered and inspired to reach their fullest potential.

Racial Equity Policy: The District's Commitment to Racial Educational Equity, which was established to increase access for students of color, strengthen opportunities and create a more diverse instructional staff in JCPS, was unanimously approved by the Jefferson County Board of Education in May. The transformative policy outlines a plan to reduce and eliminate disparities while ensuring JCPS provides equitable access to all students and holds the District accountable to true change. Equitable academic programs and services that respond to the needs of a diverse student population and prepare all students for a changing workplace within a global economy are essential. This Racial Equity Policy is a major step forward in becoming a model school district for reducing achievement gaps.

Evidence of Success

The District is seeing the results of its focus on Vision 2020. Through the last round of data-driven accountability results, every student group showed progress and our District increased in every component of accountability.

Outstanding performance within the District has been validated by several national, independent organizations and governmental agencies and by the performance of our outstanding students.

Our Schools:

- Nationally Certified Magnet School winner
- 30+ Early Childhood Programs earned a Kentucky All STARTS five-star rating from KDE
- US News and World Report Gold Medal School (5 Silver Medals, 2 Bronze Medals)
- US News and World Report #1 Ranked High School in Kentucky
- National Blue Ribbon Schools
- 2017 Teaching, Empowering, Leading and Learning (TELL) Winner's Circle School
- 2017 Alternative Program of Distinction
- 2017 National Book Challenge Winner



Our Students:

- Educators Rising State Conference Competition winners (more than 15 JCPS students participated in and won 1st, 2nd or 3rd place)
- 2018 Congressional Art Competition National Award winner
- National Dance Across the USA Book winner
- 2017 Kentucky High School Athletic Association Class 3A Cross-County State Meet Championship winner
- 2017 Intel International Science and Engineering Fair winners



- Class 3A Kentucky High School Athletic Association Track & Field State Championship winners
- 2017 Kentucky High School Athletic Association State Boys Class 2A Track & Field Championship winner
- 2017 Whitaker Bank/Kentucky High School Athletic Association State Baseball Tournament winner
- 2016-17 National Health Occupations Students of America (HOSA) Chapter Reflection Award
- Boys Nation participant
- 2018 Dr. Martin Luther King, Jr. Visual Art First-Place Honors
- Kentucky Junior Beta Club Convention winners
- Kentucky United Nations Assembly award recipients

Our Teachers & Staff Members:

- 432 have earned National Board certification
- 2019 KY Elementary Teacher of the Year by Valvoline & KDE
- JCPS Crisis Responders volunteerism with those impacted by the Marshall County High School incident
- 2018 Counselors That Change Lives honoree
- 2017 Kentucky Special Education Teacher of the Year by KCEC
- Two 2017 WLKY Bell Award recipients
- 2017 Kentucky World Language Association Outstanding National Network for Early Language Learning Teacher Award winner
- 2017 School Social Worker of the Year
- 2017 Kentucky Special Education Teacher of the Year
- 2017 Kentucky Librarian Association Carol J. Parris Mentoring Award recipient
- KY Association for Psychology in the Schools Award recipient
- 2017 Urban Education of the Year finalist
- Secretary of State's 2018 Outstanding Civic Education Leadership Award recipient
- Outstanding Mathematics Design Collaborative Teacher Award recipient
- Two 2018 National School Public Relations Golden Achievement Award winners

Acknowledgements

We would like to thank all of the staff who assisted with closing of the District's financial records and preparing this report. In addition, we want to thank those at all levels of the District who do their part to provide relevant, comprehensive, quality instruction in order to educate, prepare, and inspire our students to learn.

Respectfully submitted,

A handwritten signature in black ink that reads "Dr. Marty Pollio".

Marty Pollio, Ed. D.
Superintendent

A handwritten signature in blue ink that reads "Cordelia Hardin".

Cordelia Hardin
Chief Financial Officer / Treasurer



November 6, 2018

To the Citizens of Jefferson County, Kentucky:

We, as the Jefferson County Board of Education, are proud to serve as the collective voice and representation for the students, parents, staff, community members, and taxpayers of this great County. We firmly believe in setting high standards and using data-driven accountability measures to reach our goals. Vision 2020 solidifies our commitment to those standards and gives clear direction for our bright future.

JCPS Vision 2020: All Jefferson County Public Schools students graduate prepared, empowered, and inspired to reach their full potential and contribute as thoughtful, responsible citizens of our diverse, shared world.

Over the past year we conducted a national search for a Superintendent and have selected a proven leader who can guide our students and staff to great heights. In February 2018, we appointed Dr. Marty Polio as Superintendent. Through his leadership and unsurpassed strength, JCPS has continued to improve and be the best we can be for our greatest assets, our students.

In addition to Vision 2020, the Board has established the following Focus Areas and Goals:

1. Learning, Growth and Development
 - a. Deeper Learning
2. Increasing Capacity and Improving Culture
 - a. Professional Capacity in Teachers and Leaders
 - b. High-Performing Teams
3. Improving Infrastructure and Integrating Systems
 - a. Infrastructure Improvements
 - b. Communications, Engagement, and Access to Information
 - c. Technology for Learning and Operations
 - d. Access to Public School Choice

JCPS has also worked diligently in creating a Racial Equity Policy to solidify our commitment to support educational excellence regardless of ethnicity, race, color, national origin, age, religion, marital or parental status, political affiliations or beliefs, sex, sexual orientation, gender identity, or gender expression. The Board recognizes that multicultural education is a continuous development that is necessary in transforming the educational process for our students.

The Backpack of Success Skills was another initiative created that will allow all JCPS students to develop key skills so they can be successful in all areas of influence: school, life and work. Students will fill their virtual backpacks with their school work and projects throughout the school year in preparation to move forward to the next level of their education.

Within our governance responsibilities, we are ensuring that all budgetary decisions are directly linked to these Focus Areas and Goals to ensure that all of JCPS maintains the laser-like focus our students deserve. We must maintain this level of accountability to reach Vision 2020.

As your Board, we are motivated to see the continued positive improvement in our District thanks to a focused and forward-thinking leadership team. There are great things in store for our students and the future of our remarkable community. On behalf of the Jefferson County Board of Education, I am pleased to present this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

Sincerely,

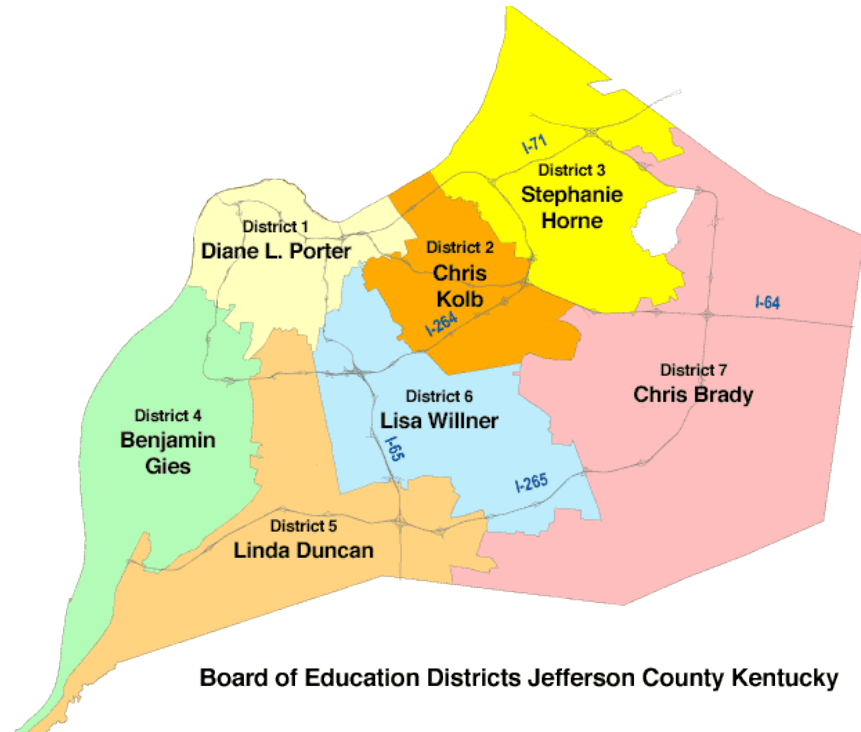
A handwritten signature in black ink that reads "Diane Porter". The signature is fluid and cursive, with a large loop at the end of the last name.

Diane Porter
Chair
Jefferson County Board of Education

Members of the Board of Education



Back row: **Dr. Lisa Willner**, District 6; **Linda Duncan**, District 5; **Diane Porter**, District 1; **Stephanie Horne**, District 3
Front row: **Chris Brady**, District 7; **Benjamin M. Gies**, District 4;
Dr. Chris Kolb, District 2

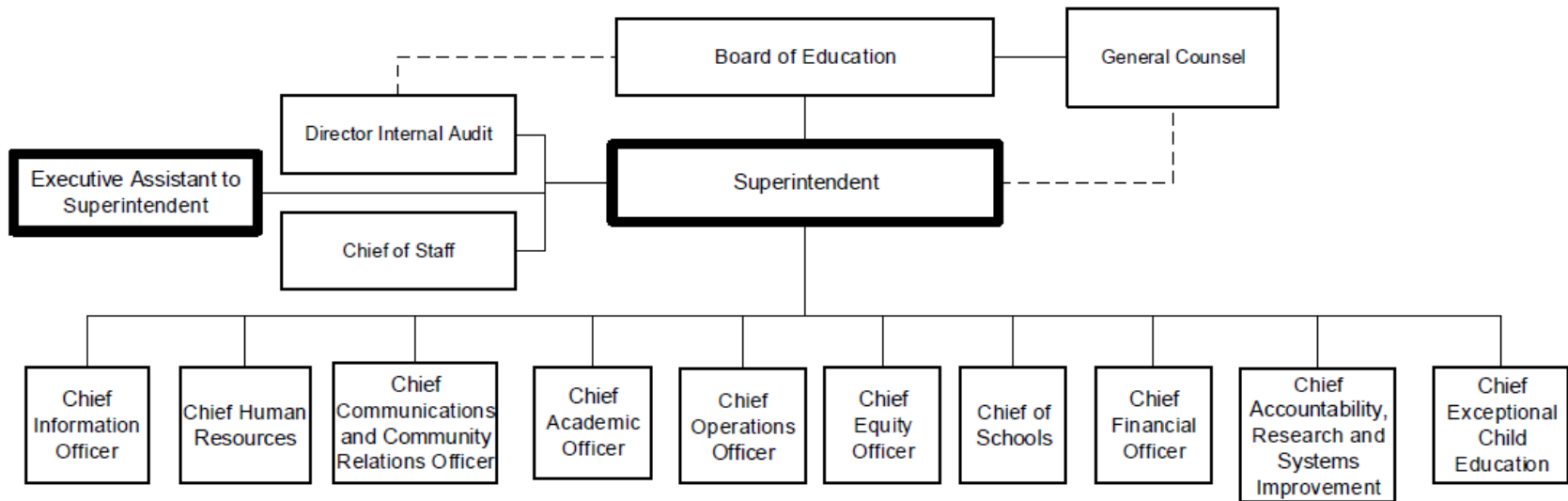


Board of Education Districts Jefferson County Kentucky



This Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment of the District. The District has received this award each year from 2007 through the latest award period for the year ended June 30, 2017.

Organizational Chart



**INDEPENDENT AUDITOR'S
REPORT**



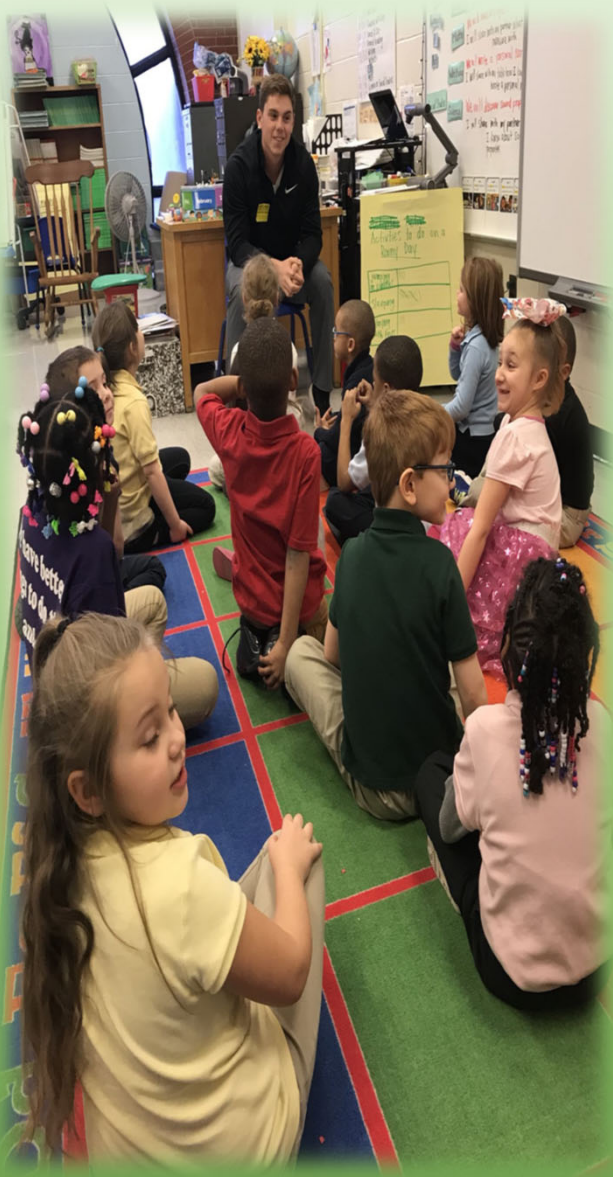
FINANCIAL STATEMENTS



FOOTNOTES

**MANAGEMENT DISCUSSION
& ANALYSIS**

FINANCIAL SECTION





Independent Auditors' Report

Members of the Board
Jefferson County Board of Education
Louisville, 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 Jefferson County Board of Education (the "District") as of and for the year ended June 30, 2018, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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, 2018, and the respective changes in financial position and cash flows of its proprietary funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle – Adoption of GASB Accounting Standard

As discussed in Note O to the financial statements, the District adopted Government Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective as of July 1, 2017. The implementation of this accounting standard resulted in a restatement of prior year net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis (Unaudited) on pages 4 through 13 and the budgetary comparison information on pages 63 and 64 and the pension and other post-employment benefit liability and contribution information on pages 66 through 75 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 other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material aspects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Stoutman and Company PSC
Louisville, Kentucky
November 6, 2018

Management's Discussion and Analysis

For the Year Ended June 30, 2018



Introduction

Our discussion and analysis of the Board of Education of Jefferson County, Kentucky (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this Management's Discussion and Analysis ("MD&A") is to look at the District's financial performance as a whole. It should be read in conjunction with the District's financial statements.

Financial Highlights

Serving nearly 100,000 students, the District is the largest in Kentucky and the 28th largest in the United States. We maintain 155 schools and education centers: 91 elementary, 22 middle, 18 high, 10 special education, and 14 others. The financial position of the District remains strong and stable with an operating budget of \$1.6 billion.

The District maintains its focus on student achievement. Our students and teachers continue to win awards and reach new goals in numerous academic areas. The student-teacher ratio was 15.1 to 1.

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>Change</u>		<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>Change</u>
College scholarships earned	\$187 million	\$183 million	\$156 million	17.3%	Number of teachers	6,864	6,835	6,721	0.4%
Students taking AP tests	6,804	6,928	6,645	-1.8%	Teachers with Master's Degree or higher	85.0%	84%	84%	1.2%
Number of tests taken	11,245	11,123	10,817	1.1%	National Board Certified Teachers	432	359	342	20.3%
AP scores earning college credit	47.3%	49.7%	47.7%	-4.8%	Student daily attendance rate	93.2%	93.6%	93.5%	-0.4%

On the District-wide financial statements, the liabilities of the District exceeded assets by \$328.8 million. The District's total net position decreased by \$48.2 million for the fiscal year ended June 30, 2018. The District's governmental funds financial statements reported combined ending fund balance of \$210.7 million. Of this total, \$83.6 million is unassigned in the general fund. However, due to economic uncertainty, along with the needs of specific instructional priorities, it is necessary to maintain adequate fund balance to support these initiatives.

Overview of the Financial Statements

The annual report contains:

- Management's Discussion and Analysis ("MD&A")
- District-wide financial statements and fund financial statements
- Notes to Financial Statements
- Other required supplementary information, including statements for nonmajor governmental and fiduciary funds

This annual report consists of a series of financial statements. The District-wide statements, the Statement of Net Position and the Statement of Activities, provide an overview of the District's finances. The fund financial statements and governmental activities statements tell how these services were financed in the short term, as well as, what remains for future spending. The fund financial statements also report the District's operations in more detail than the District-wide financial statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

Management's Discussion and Analysis

For the Year Ended June 30, 2018



Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins with the District-wide financial statements. One of the most important questions raised about the District's finances is whether the District as a whole is better off or worse off as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector organizations. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position, the difference between assets and liabilities, are one way to measure its financial health. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

To evaluate the District's overall health, review other non-financial factors, such as changes in the District's property tax base and the condition of the District's school buildings and other physical assets.

The District-wide financial statements are divided into two categories:

- **Governmental activities:** Most of the District's basic services are reported here, including instruction, student support services, instructional staff support services, administrative support services, school administrative support services, business support services, transportation, and plant operations and maintenance. Property taxes, occupational taxes, the Commonwealth's Support Education Excellence in Kentucky ("SEEK"), other Commonwealth support, and state and federal grants finance most of these activities.
- **Business-type activities:** School Food Services, Adult Education Lifelong Learning Courses, Tuition-based Pre-School, fee-based Day Care, and the Challenger Center Flight Simulator Enterprise Program are considered as business-type activities of the District. A fee is charged for these activities to assist the District in covering the cost of these services; therefore, they are classified as business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds provides detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and bond covenants. However, other funds are established as needed to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (for example, grants received from the federal and state governments). The District's two kinds of funds, governmental and proprietary, use different accounting approaches. The District also uses fiduciary funds, which are separate funds from the governmental and proprietary funds described above. These funds are not included in the District-wide financial statements, but are described below.

Notes to the Financial Statements

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

Management's Discussion and Analysis

For the Year Ended June 30, 2018



Governmental funds: Most of the District's basic activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using accounting methods called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between the governmental activities (reported in the District-wide Statement of Net Position and Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

Proprietary funds: When the District charges students or parents for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the District-wide Statement of Net Position and Statement of Activities. In fact, the District's proprietary funds are the same as the business-type activities we reported in the District-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These funds are not reflected in the District-wide financial statements because the resources of these funds are not available to support the District's own activities or programs. The basis of accounting for fiduciary funds is similar to that of proprietary funds.

The District as a Whole

The following is a summary of the District's net position:

	Governmental Activities		Business-type Activities		Total	
	2018	2017 Restated	2018	2017 Restated	2018	2017 Restated
Current and other assets	\$ 349,071,526	408,402,343	\$ 7,846,874	\$ 10,172,857	\$ 356,918,400	\$ 418,575,200
Capital assets, net of depreciation, and construction in progress	748,453,250	705,121,268	19,727,711	20,504,425	768,180,961	725,625,693
Total Assets	1,097,524,776	1,113,523,611	27,574,585	30,677,282	1,125,099,361	1,144,200,893
Deferred Outflows	166,496,598	110,652,228	18,042,165	7,047,529	184,538,763	117,699,757
Short-term liabilities	174,373,711	168,992,644	1,531,605	1,289,006	175,905,316	170,281,650
Other liabilities	1,304,627,935	1,256,556,012	93,664,072	84,188,400	1,398,292,007	1,340,744,412
Total Liabilities	1,479,001,646	1,425,548,656	95,195,677	85,477,406	1,574,197,323	1,511,026,062
Deferred Inflows	58,273,623	30,543,012	5,927,243	843,864	64,200,866	31,386,876
Net Position						
Net investment in capital assets	348,872,266	273,951,321	18,613,750	18,266,563	367,486,016	292,217,884
Restricted	73,324,431	72,956,703			73,324,431	72,956,703
Unrestricted	(695,450,592)	(578,823,852)	(74,119,920)	(66,863,022)	(769,570,512)	(645,686,874)
Total Net Position	\$ (273,253,895)	\$ (231,915,828)	\$ (55,506,170)	\$ (48,596,459)	\$ (328,760,065)	\$ (280,512,287)

Management's Discussion and Analysis

For the Year Ended June 30, 2018



The following is a summary of the District's changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2018	2017 Restated	2018	2017 Restated	2018	2017 Restated
Revenues						
Program revenues						
Charges for service	\$ 479,270	\$ 393,452	\$ 4,172,392	\$ 4,935,994	\$ 4,651,662	\$ 5,329,446
Grants & contributions	113,989,660	114,723,804	64,335,594	62,744,604	178,325,254	177,468,408
General revenues						
Local taxes	672,944,841	640,823,720			672,944,841	640,823,720
State sources	769,690,285	852,899,438			769,690,285	852,899,438
Other	19,747,696	22,231,721	104,007	66,817	19,851,703	22,298,539
Total Revenues	1,576,851,752	1,631,072,136	68,611,993	67,747,414	1,645,463,745	1,698,819,550
Expenses						
School operation & administration	1,597,931,462	1,567,563,609			1,597,931,462	1,567,563,609
School food services			76,915,589	90,427,405	76,915,589	90,427,405
Other business-type activities			1,660,142	2,306,506	1,660,142	2,306,506
Interest on debt service	17,204,330	16,139,220		23,548	17,204,330	16,162,768
Total Expenses	1,615,135,792	1,583,702,829	78,575,731	92,757,459	1,693,711,523	1,676,460,288
Transfers, Net	(3,054,027)	(3,099,486)	3,054,027	3,099,486	-	-
Change in Net Position	(41,338,067)	44,269,822	(6,909,711)	(21,910,559)	(48,247,778)	22,359,262
Net Position, End of Year	\$ (273,253,895)	\$ (231,915,828)	\$ (55,506,170)	\$ (48,596,459)	\$ (328,760,065)	\$ (280,512,287)

Governmental Activities

The revenues in the governmental funds decreased by \$54.2 million. Most of this decrease was due to other state revenues as their portion of postemployment employee benefits liabilities increased at a slower rate than in previous years.

Expenses in governmental activities increased by \$25.8 million. The majority of this increase was due to additional pension expense and health insurance. These expenses increased as a result of fringe benefits, most notably pensions. These expenses were allocated across function categories.

Management's Discussion and Analysis

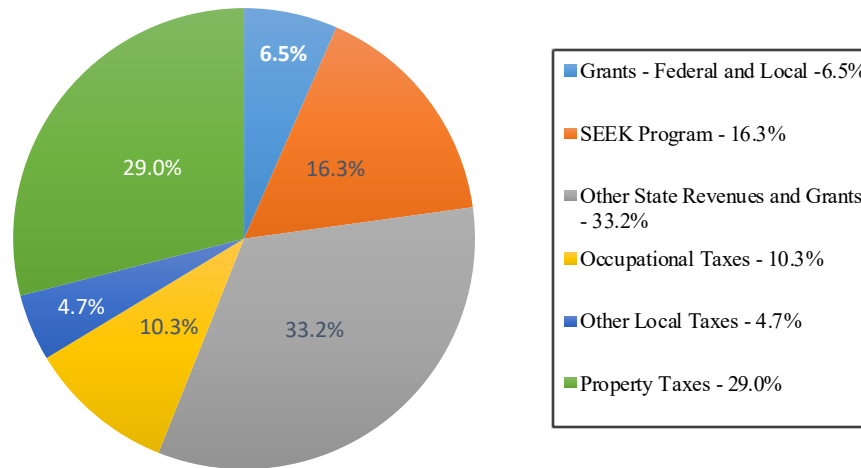
For the Year Ended June 30, 2018



The following schedule provides a comparison of the District-wide revenues for governmental activities for the current and previous years:

Revenues	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Change</u>
Local Sources:				
Property Taxes	\$ 456,911,397	\$ 432,706,454	\$ 24,204,943	5.6%
Occupational Taxes	162,374,610	156,387,646	5,986,964	3.8%
Other Taxes	53,658,834	51,729,620	1,929,214	3.7%
State Sources:				
SEEK Program	256,709,740	269,121,859	(12,412,119)	-4.6%
Other State Revenues and Grants	512,980,545	583,777,579	(70,797,034)	-12.1%
KSFCC allocation	10,808,651	9,709,125	1,099,526	11.3%
Grants (federal and local)	103,181,009	105,014,679	(1,833,670)	-1.7%
Interest	3,284,271	2,347,241	937,030	39.9%
Other Sources	16,942,695	20,293,376	(3,350,681)	-16.5%
Total Revenues	<u>\$ 1,576,851,752</u>	<u>\$ 1,631,087,579</u>	<u>\$ (54,235,827)</u>	<u>-3.3%</u>

Revenue Sources



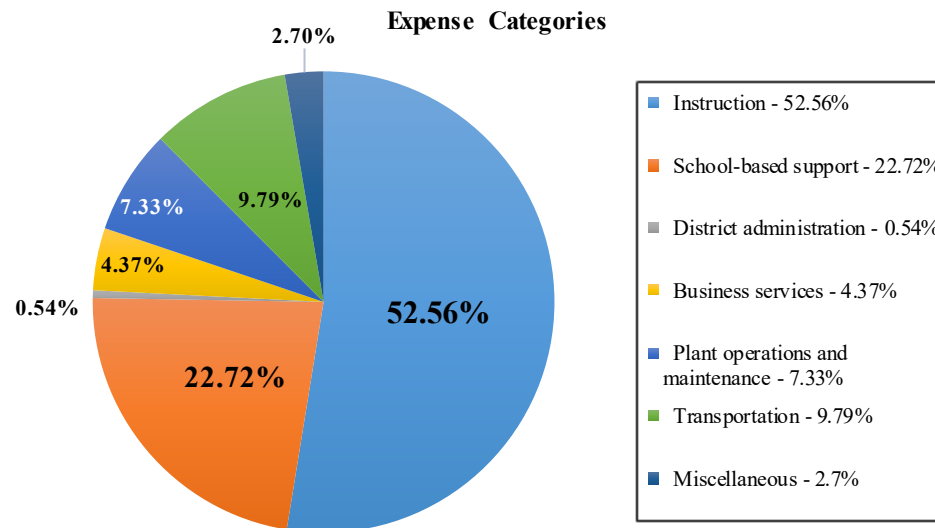
Management's Discussion and Analysis

For the Year Ended June 30, 2018



The following schedule provides a comparison of the District-wide expenses for governmental activities:

Expenses	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>Change</u>
Instruction	\$ 848,894,722	\$ 781,439,409	\$ 67,455,313	8.6%
Student support services	66,627,124	63,459,354	3,167,770	5.0%
Instructional staff support services	191,939,436	241,610,646	(49,671,210)	-20.6%
District administrative support services	8,792,408	8,409,272	383,136	4.6%
School administrative support services	108,309,775	107,624,193	685,582	0.6%
Business support services	70,521,907	90,097,375	(19,575,468)	-21.7%
Plant operations and maintenance	118,322,852	109,198,094	9,124,758	8.4%
Transportation	158,063,796	131,587,732	26,476,064	20.1%
Community services	26,377,760	33,835,506	(7,457,746)	-22.0%
Other instructional support services	60,065	32,859	27,206	82.8%
Miscellaneous	21,617	282,916	(261,299)	-92.4%
Interest	17,204,330	16,139,220	1,065,110	6.6%
Total Expenditures	<u><u>\$1,615,135,792</u></u>	<u><u>\$1,583,716,576</u></u>	<u><u>\$ 31,419,216</u></u>	<u><u>2.0%</u></u>



Management's Discussion and Analysis

For the Year Ended June 30, 2018



Business-type Activities

Net Position of the District's business-type activities decreased \$6.9 million. Most of this occurred due to accounting for other postemployment benefits as discussed further in Note H. School Food Service net position decreased \$7.1 million. Daycare Operations expenses decreased \$.4 million and tuition preschool's operating expenses decreased \$.2 million due to the same postemployment benefits reallocation.

General Fund Budgetary Highlights and Future Budgetary Implications

The District's Draft Budget is presented to the members of the Board of Education by January 31 each year, followed by a Tentative (Original) Budget by May 30, and, once the members of the Board of Education approve tax rates in September, the Working (Final) Budget is submitted to the Kentucky Department of Education by September 30.

General Fund expenditures were \$25.6 million under budget, due to \$93.9 million of ending fund balance budgeted but not spent in the Contingency category. Most expense functions other than Contingency were overspent as state funding for pensions and postemployment benefits were funded at a higher level than the previous trend indicated. This is part of a state plan to increase pension funding levels across the state. As a whole, our General Fund decreased fund balance by \$12.1 million. As discussed further in the Local Economic Outlook section on page 14, the local economy is in a period of steady growth.

Our Construction Fund experienced a \$51.0 million decrease during the year, as we funded numerous large projects prior to selling a bond in October 2018. The Building Fund increased \$8.4 million during the year as funds have accumulated for priority renovation projects during the following year. On whole, our Construction Fund and Building Fund are well structured for future capital needs. We anticipate our revenue stream remaining stable for routine activities into the future.

In accordance with the requirements of Governmental Accounting Standards Board Statement number 68, *Accounting and Reporting for Pensions and Government Accounting Standards Board Statement number 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District has recorded its proportionate share of certain financial factors of the pensions in which its employees participate. These factors include certain inflows and outflows of funds which will be amortized over future years and net pension and net other postemployment benefits liabilities. The very nature of the net pension and net other postemployment benefits liabilities indicates that these pensions have not been fully funded, whether by employee contributions, employer contributions, or investment earnings. Although the District has always paid its entire contribution based on rates determined by each pension and much of the responsibility falls on the state, the need to shore up these pensions may become a factor in future employer match rates or state funding.

Management's Discussion and Analysis

For the Year Ended June 30, 2018



Capital Assets and Debt Administration

Capital Assets

At the end of June 30, 2018, the District's investment in capital assets for its governmental and business-type activities was \$768.2 million, representing an increase of \$42.6 million (net of depreciation), as shown in the following tables:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Percent Change</u>
Governmental activities:			
Land	\$ 29,245,165	\$ 29,300,683	-0.2%
Land improvements	42,258,624	40,875,463	3.4%
Buildings and improvements	1,295,133,281	1,213,440,013	6.7%
Technology	95,956,210	93,677,939	2.4%
Buses and vehicles	106,903,884	99,608,806	7.3%
Furniture, fixtures and other	59,626,325	56,685,076	5.2%
Construction in progress	<u>25,855,619</u>	<u>43,156,337</u>	-40.1%
Total	1,654,979,108	1,576,744,317	5.0%
Less: accumulated depreciation	<u>906,525,858</u>	<u>871,623,049</u>	4.0%
Governmental assets net of depreciation	<u>\$ 748,453,250</u>	<u>\$ 705,121,268</u>	6.1%

The District has prioritized renovating its schools in recent years. During the 2017-18 year, much of our construction in progress from the prior year was completed and put into service, and we began new renovation projects. We have maintained a facilities renovation budget, in addition to ongoing maintenance funding, of \$65 million in an effort to remain on a 20-year upgrade cycle.

Management's Discussion and Analysis

For the Year Ended June 30, 2018



	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Percent Change</u>
Business-type activities:			
Land	\$ 1,000,000	\$ 1,000,000	0.0%
Land improvements	4,745	4,745	
Buildings and improvements	17,030,604	17,030,604	0.0%
Technology	1,405,621	1,483,636	-5.3%
Buses and vehicles	2,114,920	1,899,992	11.3%
Furniture, fixtures and other	<u>29,113,319</u>	<u>28,791,218</u>	1.1%
Total	50,669,209	50,210,195	0.9%
Less: accumulated depreciation	<u>30,941,498</u>	<u>29,705,770</u>	4.2%
Business-type assets net of depreciation	<u>\$ 19,727,711</u>	<u>\$ 20,504,425</u>	-3.8%
Total Capital Assets Governmental and Business-type activities	<u>\$ 768,180,961</u>	<u>\$ 725,625,693</u>	5.9%

Of the changes in business-type assets, buses and vehicles increased 11.3% as our Food Service operation replaced old delivery vans.

District facility personnel develop a long-range facility plan through evaluation of every building, identification of appropriate renovations, and analysis of demographic census to determine future growth needs. All findings are shared with each school for review by staff, SBDM councils and PTA. Adjustments are made to the plan after the reviews. The long-range facility plan details the unmet needs for the District for the next four years. The plan is submitted to the Kentucky Department of Education for approval. At June 30, 2018, the unmet needs for the District totaled an estimated cost of \$1.3 billion.

Funding for these needs is typically provided from the General Fund, Construction Fund or through Bond issues. Bond issues are paid with Building Funds (local 5-cent property tax), State Capital Outlay funds at \$100 per student or the Kentucky State Facility Construction Commission ("KSFCC") funds. To ensure continued academic success for our students, we must provide a learning environment that is safe, functional, inviting and well-maintained.

Additional information on the District's capital assets can be found in Note D of this report. Information concerning bonds and long-term liabilities is in Note E of this report.

Debt Service Fund

At year-end, the District had approximately \$403.9 million in outstanding debt, compared to \$439 million last year. The District continues to maintain favorable debt ratings from Moody's and Standard & Poor's.

Management's Discussion and Analysis

For the Year Ended June 30, 2018



Local Economic Outlook

The District is enjoying a period of growth in our economy-driven revenues, such as a 3.8% increase in occupational license taxes which are based on net profits and salaries paid within our jurisdiction. This marks the eighth consecutive year occupational license taxes have increased. Additionally, Jefferson County property valuation assessments have shown 1.9% growth for the 2018-2019 school year, continuing to grow for the eighth consecutive year as well. Louisville maintains some resiliency by being a regional hub of many companies or industries. Inherent strength can be found in the balance among the educational, health and social services, manufacturing, professional services, retail trade, tourism, insurance, and transportation sectors. Recently, Amazon.com opened a distribution center, Louisville was named a city to receive Google Fiber, and two additional Ohio River bridges were constructed, which will bring investment and additional jobs to the area. This diversified growth positions Jefferson County well and is one reason why our unemployment rate at 4.3% is slightly better than the Kentucky average of 5.0% as of June 2018 according to the Bureau of Labor Statistics.

Jefferson County's central location, extensive transportation network and quality of life are factors in attracting and maintaining a healthy business community. Recently, Louisville Metro was named the top region for manufacturing in the U. S. by Forbes. Louisville has been called one of the best cities for theatre by Paste Magazine, and cited as one of the best food cities in the world by National Geographic, The Culture Trip, Thrillist, and World Food Traveler. Trulia.com has named Louisville the third most affordable place to live in the United States, and Bankrate ranks Louisville in the top ten for homeownership.

Overall, with many local and national businesses expanding their footprint in Jefferson County and excellent quality of life, Jefferson County's economy has the stability necessary to minimize the impact of economic downturns.

Contacting the Jefferson County Board of Education Management

This financial report is designed to provide a general overview of the finances of the Jefferson County Board of Education and to show management's accountability for these funds. If you have questions about this report or need additional information, contact the Chief Financial Officer/Treasurer of the Jefferson County Board of Education, P. O. Box 34020, Louisville, Kentucky 40232-4020.

Statement of Net Position

Board of Education of Jefferson County, Kentucky

June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 237,958,618	\$ 9,546,484	\$ 247,505,102
Investments	65,208,061		65,208,061
Accounts receivable	35,137,953	471,175	35,609,128
Prepaid expenses	3,202,317		3,202,317
Inventories	2,910,278	2,483,514	5,393,792
Internal balances	4,654,299	(4,654,299)	
Land and other nondepreciable assets	55,100,784	1,000,000	56,100,784
Capital assets, net of depreciation	693,352,466	18,727,711	712,080,177
Total Assets	<u>1,097,524,776</u>	<u>27,574,585</u>	<u>1,125,099,361</u>
Deferred Outflows of Resources			
Difference between actual and expected experience	507,556	55,000	562,556
Difference between projected and actual earnings on plan investments	32,409,064	3,511,962	35,921,026
Changes in assumptions	106,092,401	11,496,551	117,588,952
Deferred contributions after measurement date	27,487,577	2,978,652	30,466,229
Total Deferred Outflows	<u>166,496,598</u>	<u>18,042,165</u>	<u>184,538,763</u>
Liabilities			
Accrued liabilities	136,110,515	417,643	136,528,158
Accrued interest payable	3,856,859		3,856,859
Current maturities of			
worker's compensation claims	747,684		747,684
accrued vacation pay	1,138,190		1,138,190
accrued sick leave	409,425		409,425
school building revenue bonds	32,111,038	1,113,962	33,225,000
Long-term maturities of			
worker's compensation claims	25,380,879		25,380,879
accrued vacation pay	6,368,289		6,368,289
accrued sick leave	37,845,345		37,845,345
school building revenue bonds	370,682,963		370,682,963
Net pension liability	409,211,540	44,343,635	453,555,175
Net postemployment benefits liabilities	455,138,919	49,320,437	504,459,356
Total Liabilities	<u>1,479,001,646</u>	<u>95,195,677</u>	<u>1,574,197,323</u>
Deferred Inflows of Resources			
Difference between projected and actual earnings on plan investments	38,036,194	4,121,738	42,157,932
Change in proportionate share	5,883,653	637,573	6,521,226
Difference between actual and expected experience	10,777,900	1,167,932	11,945,832
Deferred savings from refunding bonds	3,575,876		3,575,876
Total Deferred Inflows	<u>58,273,623</u>	<u>5,927,243</u>	<u>64,200,866</u>
Net Position			
Net investment in capital assets	348,872,266	18,613,750	367,486,016
Restricted for			
Capital projects and construction	63,108,767		63,108,767
Grants and Awards	10,215,664		10,215,664
Unrestricted (Deficit)	(695,450,592)	(74,119,920)	(769,570,512)
Total Net Position	<u>\$ (273,253,895)</u>	<u>\$ (55,506,170)</u>	<u>\$ (328,760,065)</u>

See Notes to Financial Statements

Statement of Activities
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

Functions/Programs	Total District-wide Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 848,894,722	\$ 479,270	\$ 103,181,009		\$ (745,234,443)
Student support services	66,627,124				(66,627,124)
Instructional staff support services	191,939,436				(191,939,436)
District administrative support services	8,792,408				(8,792,408)
School administrative support services	108,309,775				(108,309,775)
Business support services	70,521,907				(70,521,907)
Plant operations and maintenance	118,322,852			\$ 10,808,651	(107,514,201)
Transportation	158,063,796				(158,063,796)
Community services	26,377,760				(26,377,760)
Other instructional support services	60,065				(60,065)
Other	21,617				(21,617)
Interest	17,204,330				(17,204,330)
Total governmental activities	1,615,135,792	479,270	103,181,009	10,808,651	(1,500,666,862)
Business-type activities					
School food services	76,915,589	3,004,729	63,777,696		(10,133,164)
Adult education	168,158	212,071	31,625		75,538
Enterprise Programs	157,129	61,854	4,936		(90,339)
Tuition-based pre-school	1,097,840	889,911	179,135		(28,794)
Day care operations	237,015	3,827	342,202		109,014
Total business-type activities	78,575,731	4,172,392	64,335,594		(10,067,745)
Total Activities	\$ 1,693,711,523	\$ 4,651,662	\$ 167,516,603	\$ 10,808,651	\$ (1,510,734,607)
Changes in net position					
Net Expense		\$ (1,500,666,862)	\$ (10,067,745)	\$ (1,510,734,607)	
General revenues					
Taxes					
Property taxes		456,911,397		456,911,397	
Occupational taxes		162,374,610		162,374,610	
Other taxes		53,658,834		53,658,834	
State sources					
SEEK program		256,709,740		256,709,740	
Other state revenues and grants		512,980,545		512,980,545	
Interest and investment earnings		3,284,271	104,007	3,388,278	
Miscellaneous		16,463,425		16,463,425	
Total general revenues		1,462,382,822	104,007	1,462,486,829	
Transfers, net		(3,054,027)	3,054,027		
Change in net position		(41,338,067)	(6,909,711)	(48,247,778)	
Net position, beginning of year, as restated		(231,915,828)	(48,596,459)	(280,512,287)	
Net position, end of year		\$ (273,253,895)	\$ (55,506,170)	\$ (328,760,065)	

See Notes to Financial Statements

Balance Sheet - Governmental Funds
Board of Education of Jefferson County, Kentucky
June 30, 2018

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 225,054,750		\$ 12,903,868		\$ 237,958,618
Investments	65,208,061				65,208,061
Accounts and grants receivable	20,224,510	\$ 14,743,224	44,547	\$ 125,672	35,137,953
Prepaid expenditures	3,202,317				3,202,317
Inventories	2,910,278				2,910,278
Due from other funds	40,635,834	31,903,398	48,046,011	12,033,522	132,618,765
Total Assets	<u>\$ 357,235,750</u>	<u>\$ 46,646,622</u>	<u>\$ 60,994,426</u>	<u>\$ 12,159,194</u>	<u>\$ 477,035,992</u>
Liabilities					
Accrued liabilities	\$ 122,815,158	\$ 1,732,520	\$ 13,741,331	\$ 116,806	\$ 138,405,815
Due to other funds	92,873,108	34,698,438	392,920		127,964,466
Total Liabilities	215,688,266	36,430,958	14,134,251	116,806	266,370,281
Fund Balances					
Nonspendable	6,113,779				6,113,779
Restricted		10,215,664	46,860,175	12,042,388	69,118,227
Committed	36,000,000				36,000,000
Assigned	15,843,169				15,843,169
Unassigned	83,590,536				83,590,536
Total Fund Balances	<u>141,547,484</u>	<u>10,215,664</u>	<u>46,860,175</u>	<u>12,042,388</u>	<u>210,665,711</u>
Total Liabilities and Fund Balances	<u>\$ 357,235,750</u>	<u>\$ 46,646,622</u>	<u>\$ 60,994,426</u>	<u>\$ 12,159,194</u>	<u>\$ 477,035,992</u>

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

Total Governmental Fund Balances	\$ 210,665,711
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets are not financial resources and are not reported in the fund financial statements.	748,453,250
Bonds are noncurrent liabilities and are excluded from the fund financial statements.	(402,794,001)
Savings from refunding bonds are not current and are not reported in the fund financial statements.	(3,575,876)
Long-term workers compensation liability is noncurrent and is excluded from the fund financial statements.	(25,380,879)
Long-term vacation pay liability is noncurrent and is excluded from the fund financial statements.	(6,368,289)
Long-term sick leave liability is noncurrent and is excluded from the fund financial statements.	(37,845,345)
Bond interest payable is a noncurrent liability and is excluded from the fund financial statements.	(3,856,859)
Net pension liability is noncurrent and is excluded from the fund financial statements.	(409,211,539)
Deferred outflows related to employee pension plans are excluded from the fund financial statements.	129,042,921
Deferred inflows related to pension plans are excluded from the fund statements.	(43,292,677)
Net other postemployment benefits liability is noncurrent and is excluded from the fund financial statements.	(455,138,919)
Deferred outflows related to other postemployment benefits are excluded from the fund financial statements.	37,453,681
Deferred inflows related to other postemployment benefits are excluded from the fund financial statements.	<u>(11,405,074)</u>
Net Position of Governmental Activities	<u>\$ (273,253,895)</u>

See Notes to Financial Statements

Statement of Revenues, Expenditures and Changes in Fund Balances
 - Governmental Funds

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 419,678,233			\$ 37,233,164	\$ 456,911,397
Occupational taxes	162,374,610				162,374,610
Other taxes	53,658,834				53,658,834
Grants from local agencies and donors		\$ 12,003,218			12,003,218
State sources					
SEEK program	248,012,271			8,697,469	256,709,740
Other state revenues	300,232,367	33,886,228			334,118,595
KSFCC allocation				10,808,651	10,808,651
Grants from the United States government		91,177,791			91,177,791
Interest	3,149,013	10,356	\$ 124,902		3,284,271
Other sources	12,740,700		45,497	6,726,522	19,512,719
Total Revenues	1,199,846,028	137,077,593	170,399	63,465,806	1,400,559,826
Expenditures					
Instruction	670,151,842	81,776,761		2,588,886	754,517,489
Student support services	62,073,643	3,949,486			66,023,129
Instructional staff support services	112,598,595	42,625,636			155,224,231
District administrative support services	5,690,355	191,290			5,881,645
School administrative support services	98,100,041	462,830			98,562,871
Business support services	48,650,390	1,180,057			49,830,447
Plant operations and maintenance	117,642,222	324,114		79,963	118,046,299
Transportation	87,843,441	1,469,636			89,313,077
Community services	3,027,897	7,148,129			10,176,026
Other instructional support services	35,645	24,420			60,065
Building renovations	1,113,161		51,639,838		52,752,999
Other	16,060	2,590,641			2,606,701
Debt service					
Principal				34,001,290	34,001,290
Interest				16,696,446	16,696,446
Total Expenditures	1,206,943,292	141,743,000	51,639,838	53,366,585	1,453,692,715

Continued

Statement of Revenues, Expenditures and Changes in Fund Balances
 - Governmental Funds--Continued

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues in Excess of (Less Than) Expenditures	(7,097,264)	(4,665,407)	(51,469,439)	10,099,221	(53,132,889)
Other Financing Sources (Uses)					
Transfers to Proprietary Funds	(3,058,946)	4,919			(3,054,027)
Transfers in	36,000	1,945,350	4,556,264	37,277,676	43,815,290
Transfers out	(1,940,350)	(41,000)	(4,067,204)	(37,766,736)	(43,815,290)
Total Other Financing Sources (Uses)	<u>(4,963,296)</u>	<u>1,909,269</u>	<u>489,060</u>	<u>(489,060)</u>	<u>(3,054,027)</u>
Net Change in Fund Balances	(12,060,560)	(2,756,138)	(50,980,379)	9,610,161	(56,186,916)
Fund Balances, Beginning of Year, as restated	<u>153,608,044</u>	<u>12,971,802</u>	<u>97,840,554</u>	<u>2,432,227</u>	<u>266,852,627</u>
Fund Balances, End of Year	<u>\$ 141,547,484</u>	<u>\$ 10,215,664</u>	<u>\$ 46,860,175</u>	<u>\$ 12,042,388</u>	<u>\$ 210,665,711</u>

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities**

Net Change in Fund Balances - Total Governmental Funds	\$ (56,186,916)
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Additions to capital assets capitalized on district-wide statement of net position.	171,094,440
Dispositions of capital assets are reflected on the statement of activities.	(76,180,761)
Capital asset use is expensed as depreciation on the statement of activities.	(51,581,696)
Bond principal payments are recorded as a reduction of a liability on the statement of net position.	34,001,290
Capitalized savings from bond refundings must be amortized over the remaining life of the bonds.	722,780
Bond interest payable is reflected on the full accrual basis on the statement of net position.	(507,884)
Long-term workers compensation liability increased on the statement of net position.	(1,227,695)
Long-term vacation payable increased on the statement of net position.	(81,109)
Long-term sick leave payable decreased on the statement of net position.	8,007,323
Pension expense represents the cost of providing long-term benefits on the statement of activities.	(61,128,066)
Changes in deferred outflows related to pension plans are long-term in nature and are on the statement of activities.	18,387,829
Changes in deferred inflows related to pension plans are long-term in nature and are on the statement of activities.	(17,047,158)
Changes in deferred outflows related to other postemployment benefits and are on the statement of activities.	37,453,681
Changes in deferred inflows related to other postemployment benefits and are on the statement of activities.	(11,405,070)
Expenses related to other postemployment benefits represents long-term employment costs on the statement of activities.	<u>(35,659,055)</u>

Change in Net Position of Governmental Activities \$ (41,338,067)

See Notes to the Financial Statements

Statement of Net Position - Proprietary Funds
Board of Education of Jefferson County, Kentucky
June 30, 2018

	Enterprise Funds		Total
	School Food Services	Total Nonmajor Enterprise Funds	
Assets			
Current Assets			
Cash and cash equivalents	\$ 9,319,190	\$ 227,294	\$ 9,546,484
Accounts receivable	462,856	8,319	471,175
Inventories	2,483,514		2,483,514
Due from other funds		890,177	890,177
Total Current Assets	<u>12,265,560</u>	<u>1,125,790</u>	<u>13,391,350</u>
Capital Assets , net of accumulated depreciation	<u>19,727,711</u>		<u>19,727,711</u>
Total Assets	<u>31,993,271</u>	<u>1,125,790</u>	<u>33,119,061</u>
Deferred Outflows of Resources			
Difference between actual and expected experience	53,444	1,556	55,000
Difference between projected and actual earnings on plan investments	3,412,580	99,382	3,511,962
Changes in assumptions	11,171,221	325,330	11,496,551
Pension contributions after measurement date	2,894,362	84,290	2,978,652
Total Deferred Outflows of Resources	<u>17,531,607</u>	<u>510,558</u>	<u>18,042,165</u>
Liabilities			
Current Liabilities			
Accrued liabilities	414,126	3,517	417,643
Due to other funds	5,544,476		5,544,476
Current maturities of school building revenue bonds	1,113,962		1,113,962
Total Current Liabilities	<u>7,072,564</u>	<u>3,517</u>	<u>7,076,081</u>
Noncurrent Liabilities			
Unfunded pension liabilities	43,088,785	1,254,850	44,343,635
Unfunded postemployment benefits liabilities	47,924,799	1,395,638	49,320,437
Total Liabilities	<u>98,086,148</u>	<u>2,654,005</u>	<u>100,740,153</u>
Deferred Inflows of Resources			
Differences between projected and earnings on plan investments	4,005,101	116,637	4,121,738
Differences between actual and expected experience	1,134,882	33,050	1,167,932
Change in proportionate share	619,531	18,042	637,573
Total Deferred Inflows of Resources	<u>5,759,514</u>	<u>167,729</u>	<u>5,927,243</u>
Net Position			
Net investment in capital assets	18,613,750		18,613,750
Unrestricted	(72,934,534)	(1,185,386)	(74,119,920)
Total Net Position	<u>\$ (54,320,784)</u>	<u>\$ (1,185,386)</u>	<u>\$ (55,506,170)</u>

See Notes to Financial Statements

Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

	Enterprise Funds		Total
	School Food Services	Total Nonmajor Enterprise Funds	
Operating Revenues			
Lunchroom sales	\$ 3,004,729		\$ 3,004,729
Tuition and fees		\$ 1,167,663	1,167,663
Total Operating Revenues	<u>3,004,729</u>	<u>1,167,663</u>	<u>4,172,392</u>
Operating Expenses			
Salaries and personnel services	20,383,740	979,626	21,363,366
Employee benefits	15,246,446	459,867	15,706,313
Purchased professional services	221,636	123,934	345,570
Purchased property and maintenance services	4,502,364	13,654	4,516,018
Other purchased services	103,628	6,015	109,643
Supplies and materials	30,073,098	51,779	30,124,877
Property	380,961	22,031	402,992
Miscellaneous	166,517	3,236	169,753
Depreciation	2,035,706		2,035,706
Total Operating Expenses	<u>73,114,096</u>	<u>1,660,142</u>	<u>74,774,238</u>
Loss From Operations	(70,109,367)	(492,479)	(70,601,846)
Non-Operating Revenues (Expenses)			
Federal grants	54,519,789		54,519,789
State grants	514,501		514,501
Other state revenue	4,550,566	557,898	5,108,464
Donated commodities	4,192,840		4,192,840
Interest income	101,428	2,579	104,007
Indirect costs	(3,801,493)		(3,801,493)
Total Non-Operating Revenues (Expenses)	<u>60,077,631</u>	<u>560,477</u>	<u>60,638,108</u>
Transfers			
Transfers to other funds		(4,919)	(4,919)
Transfers from other funds	2,964,497	94,449	3,058,946
Total Transfers	<u>2,964,497</u>	<u>89,530</u>	<u>3,054,027</u>
Change in Net Position	(7,067,239)	157,528	(6,909,711)
Net Position, Beginning of Year	<u>(47,253,545)</u>	<u>(1,342,914)</u>	<u>(48,596,459)</u>
Net Position, End of Year	<u>\$ (54,320,784)</u>	<u>\$ (1,185,386)</u>	<u>\$ (55,506,170)</u>

See Notes to Financial Statements

Statement of Cash Flows - Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

	Enterprise Funds		Totals
	School Food Services	Total Nonmajor Enterprise Funds	
Cash Flows From Operating Activities			
Cash received from customers	\$ 2,611,814	\$ 1,154,007	\$ 3,765,821
Cash paid to suppliers	(27,366,331)	(133,110)	(27,499,441)
Cash paid to employees	(30,953,650)	(1,417,602)	(32,371,252)
Cash paid for other expenses	(388,153)	(132,068)	(520,221)
Net Cash Provided by (Used in) Operating Activities	(56,096,320)	(528,773)	(56,625,093)
Cash Flows From Investing Activities			
Interest income	101,428	2,579	104,007
Net Cash Provided By (Used In) Investing Activities	101,428	2,579	104,007
Cash Flows From Capital and Related Financing Activities			
Additions to capital assets	(1,258,991)		(1,258,991)
Disposals of capital assets	5,855		5,855
Payments of school building revenue bonds	(1,123,899)		(1,123,899)
Net Cash Provided By (Used in) Capital and Related Financing Activities	(2,377,035)		(2,377,035)
Cash Flows from Noncapital Financing Activities			
Cash used for operational grant required match	(3,807,349)		(3,807,349)
Cash received for operational grants	59,584,856	557,898	60,142,754
Net Cash Provided by (Used in) Noncapital Financing Activities	55,777,507	557,898	56,335,405
Increase (Decrease) in Cash and Cash Equivalents	(2,594,420)	31,704	(2,562,716)
Cash and Cash Equivalents, Beginning of Year	11,913,610	195,590	12,109,200
Cash and Cash Equivalents, End of Year	\$ 9,319,190	\$ 227,294	\$ 9,546,484

Continued

Statement of Cash Flows - Proprietary Funds--Continued
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

	Enterprise Funds		Totals
	School Food Services	Total Nonmajor Enterprise Funds	
Reconciliation of Loss from Operations to Net Cash Provided by (Used in) Operating Activities			
Loss from operations	\$ (70,109,367)	\$ (492,458)	\$ (70,601,825)
Adjustments to reconcile loss from operations to cash provided by (used in) operating activities:			
Depreciation	2,035,706		2,035,706
Donated commodities	4,192,840		4,192,840
Transfers	2,964,497	89,530	3,054,027
Change in accounts receivable	(392,915)	(8,319)	(401,234)
Change in amounts due from other funds		(99,786)	(99,786)
Change in inventories	(44,131)		(44,131)
Change in deferred outflows	(10,750,532)	(244,104)	(10,994,636)
Change in amounts due to other funds	329,693	(21,278)	308,415
Change in accrued liabilities	250,821	(18,353)	232,468
Change in deferred inflows	4,958,185	125,191	5,083,376
Change in unfunded post-employment benefits liabilities	3,754,799		3,754,799
Change in unfunded pension liability	6,714,084	140,804	6,854,888
Net Cash Provided by (Used in) Operating Activities	\$ (56,096,320)	\$ (528,773)	\$ (56,625,093)

Summary of Noncash Financing Activity

Donated commodities from the US Dept of Agriculture	\$ 4,192,840
District facilities support -- rent forgiven on cafeterias	\$ 2,964,497
Depreciation	\$ 2,035,706

See Notes to the Financial Statements

Statement of Fiduciary Net Position
Board of Education of Jefferson County, Kentucky
June 30, 2018

	<u>Total Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 5,625,337
Investments	731,367
Accounts receivable	708,399
Inventories	<u>313,665</u>
Total Assets	<u><u>\$ 7,378,768</u></u>
Liabilities	
Accrued liabilities	\$ 97,693
Due to student groups	<u>7,281,075</u>
Total Liabilities	<u><u>\$ 7,378,768</u></u>

See Notes to Financial Statements

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note A— Summary of Significant Accounting Policies

Reporting Entity--The Board of Education of Jefferson County, Kentucky (the “District”) is established under and governed by the Kentucky School Laws and maintains a system of schools primarily for kindergarten through twelfth grade, but also including pre-school, vocational and adult education. The District is a school district of the Commonwealth of Kentucky having boundaries coterminous with the boundaries of Jefferson County, excluding the City of Anchorage.

The accompanying financial statements include all funds and activities of the District, including the Jefferson County School Board Finance Corporation (the “Corporation”), a non-stock, not-for-profit Corporation. The Corporation is a blended component unit and was created to act as an agency in the acquisition and financing of any capital project which may be undertaken by the District. Accounts of the Corporation are included in the financial statements as a capital projects fund.

The District is not includable as a component unit within another reporting entity. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

Accounting Standards--The financial statements of the District have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

District-wide and Fund Financial Statements--The District-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements report information on all the activities of the District, except for the fiduciary funds. The doubling-up effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to students or parents who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District allocates certain indirect costs to be included in the program expense reported for individual functions and activities in the District-wide Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though fiduciary funds are excluded from the District-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note A—Summary of Significant Accounting Policies--Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is a separate accounting entity with a self-balancing set of accounts. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible during the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and workers' compensation claims, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, interest revenue and charges for services. Occupational tax revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Funds are classified into three categories: governmental, proprietary and fiduciary. The District reports the following major governmental funds:

The General Fund is the District's primary operating fund, which accounts for all of the activities of the general government not required to be accounted for in another fund. Local taxes account for 53% of the General Fund revenues, while the Support Education Excellence in Kentucky ("SEEK") program accounts for 20.7% of General Fund revenues. SEEK is a program that began in 1990 as the result of the Kentucky Education Reform Act ("KERA"), and is the basic state funding spent by the District. Other state revenues are 25% of General Fund revenues and are principally health insurance for all employees and teachers pension match paid by the state on the District's behalf, as discussed further on page 30 of Note A.

The Special Revenue Fund is a special revenue fund which accounts for the activities of specific education related programs in accordance with restrictions established by the various grantors (primarily the United States Government and state and local governments). This includes certain KERA grants which carry grantor restrictions related to expenditures.

The Construction Fund accounts for funds from three sources. First, funds generated by sales of bond issues are used for various construction projects at educational facilities. Second, proceeds from the sale of properties and equipment owned by the District are to be used at the discretion of the District for future construction projects. Last, any funds remaining in the Capital Outlay and Building Funds at the end of the year are escrowed to pay for categorical priorities listed in the Long-Range Facility Plan, discussed on page 13 of the MD&A.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports as a major proprietary fund the School and Community Nutrition Services ("Food Service") Program which provides certain food preparation at the Nutrition Center and serves breakfast and lunch at schools throughout Jefferson County.

Fiduciary Funds are used to account for assets held on behalf of outside parties or on behalf of other funds within the District. This fund consists of agency funds for various scholarship programs administered by the District on behalf of the third-party donors, and agency funds held on behalf of student organizations and segregated among elementary schools, middle schools and high schools. Since fiduciary funds are held on behalf of others, these funds are excluded from the District-wide financial statements on pages 15-16.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note A—Summary of Significant Accounting Policies—Continued

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--Inventories are valued at the lower of cost, using the first in, first out method, or market. Generally, the only inventory items marked to market are diesel, gasoline, and items determined to be obsolete with no current market value. The Food Service Fund's inventories consist of food and supplies valued at cost and U. S. Government commodities whose value is determined by the U. S. Department of Agriculture.

In the governmental funds balance sheet, reported inventories in the general fund are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of total assets.

Capital Assets--Capital assets include land, buildings, vehicles, office equipment, school equipment, and food service equipment, and are reported in the applicable governmental or business-type activities column in the District-wide Statement of Net Position. The District maintains a record of its capital assets, and those with a cost of \$1,000 or more are capitalized. All computers, regardless of cost, are capitalized. Additions to capital assets are recorded at cost and depreciated using the straight-line method. The District has elected not to capitalize interest on debt used to finance buildings. Capital assets are depreciated over estimated useful lives as determined by the Kentucky Department of Education, as follows:

	<u>Estimated life (years)</u>
Land improvements	20
Buildings	50
Building improvements	25
Carpet/tile	7
Technology equipment	5
School buses	10
Other vehicles	5
Rolling stock	15
Food service equipment	12
Furniture and fixtures	20
Audio-visual equipment	15
Other general equipment	10
Musical Instrument	10

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

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note A—Summary of Significant Accounting Policies--Continued

Fund Balance—Under GASB statement 54, fund balance is separated into five categories, as follows:

<u>Category</u>	<u>Definition</u>	<u>District Purpose</u>
Nonspendable	Permanently nonspendable by decree of the donor, such as an endowment, or items which may not be used for another purpose, such as amounts used to prepay future expenses or already-purchased inventory on hand	Prepaid expenses, predominantly insurances, and inventory on hand
Restricted	Legally restricted under federal or state law, bond authority, or grantor contract	Grant funds, bond proceeds, and funds governed by specific state laws
Committed	Commitments passed by the elected Board and can only be modified or rescinded by Board vote	Cash flows protection
Assigned	Funds assigned to management priority including issued encumbrances	Encumbered purchase orders
Unassigned	Funds available for future operations	Funds available for future operations

<u>Category</u>	<u>District Purpose</u>	<u>General Fund</u>	<u>Grants & Awards</u>	<u>Construction Fund</u>	<u>Nonmajor Funds</u>	<u>Purpose Total</u>
Nonspendable	Prepaid expenses	\$ 3,202,317				\$ 3,202,317
	Inventory on hand	2,911,462				2,911,462
Restricted	Grant or donor-directed funds		\$ 10,215,664		\$ 2,582,689	12,798,353
	Bond proceeds			\$ 46,860,175		46,860,175
	Funds governed by specific state laws				9,459,699	9,459,699
Committed	Cash flows protection	36,000,000				36,000,000
Assigned	Encumbered purchase orders	15,843,169				15,843,169
Unassigned	Funds available for future operations	83,590,536				83,590,536

Unassigned fund balance is only reported in the General Fund. However, if expenditures for a governmental fund other than the General Fund exceeded amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. This did not occur.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note A—Summary of Significant Accounting Policies—Continued

It is the District’s practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, District, or managerial obligations, using restricted funds first, followed by committed funds, assigned funds, then unassigned funds.

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically re-budgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance in the governmental funds balance sheet. Board policy 04.31 grants this authority to the Superintendent or the Superintendent’s designee. The Superintendent has granted fund balance assignment authority to the Director of Purchasing.

Statutorily, the Kentucky Department of Education may assume financial control over any school district whose fund balance drops below 2% of the total expenditures of certain funds. To maintain balances above this level, they recommend reserving at least 5%. The elected Jefferson County Board of Education committed funds to ensure fund balance remains above these levels. While these funds have been properly committed and not budgeted for future years’ expenditures, there is no mandate on how the committed funds would be used if the District fell below the 2% floor.

Property Tax Revenues--Property taxes are levied each November on the assessed value listed as of the prior January 1 for all real and personal property in Jefferson County. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending 30 days after the tax bill mailing.

On-Behalf Payments--The Commonwealth of Kentucky pays certain expenses on behalf of the District. In the financial statements, these payments are recorded as an expense and other state revenue. These expenses include the following:

	<u>2017-18</u>	<u>2016-17</u>
Health insurance	\$ 110,876,771	\$ 108,445,816
KTRS employer match	192,083,132	89,226,619
HRA, dental, vision, and life insurance	5,003,501	4,921,442
State administration fee	1,460,528	1,384,027
Reimbursement from federal programs	(6,957,275)	(8,441,842)
State facility construction support	10,808,651	9,709,125
Technology systems	<u>648,952</u>	<u>575,594</u>
	<u>\$ 313,924,260</u>	<u>\$ 205,820,781</u>

Budgetary Principles--The Superintendent must submit the proposed budget for all funds other than school-based activity funds (agency funds) to members of the Board each year. The Board Members will then discuss and, where so desired, amend the proposed budget and will adopt a final budget by September 30 of each fiscal year. Any adjustments to the adopted budget must be approved by the Board.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note A—Summary of Significant Accounting Policies--Continued

Budget information is presented for the General Fund and other funds with a legally-adopted budget. This budgetary data is prepared on the modified accrual basis of accounting, in accordance with generally accepted accounting principles. Budgetary revenues represent original estimates modified for any adjustments authorized by the Board during the fiscal year. Budgetary expenditures represent original appropriations adjusted for budget transfers and additional appropriations approved during the fiscal year. Although budgets are prepared on a line-item basis by cost center for each department, expenditures may legally exceed budget in these areas but may not exceed the budget in total.

Interfund Receivables and Payables--Each fund is a separate fiscal and accounting entity, and thus interfund transactions are recorded in each fund affected by a transaction. Interfund receivables and payables for the District arise generally from two types of transactions: 1) all funds are initially received into the General Fund, thus a payable and receivable are established in the appropriate funds; and 2) payments are from the General Fund checking account, which may not have the legal liability for the expenditure, thus a payable from the fund having the legal liability is established at such time. Typically, interfund receivables and liabilities are resolved monthly, and all of these balances should be resolved within a year. All interfund receivables and payables have been eliminated on the District-wide Statement of Net Position.

	<i>Due from other Funds Reported in General Fund</i>	<i>Due to other Funds Reported in General Fund</i>
Special Revenue Fund	\$ 34,698,438	\$ 31,903,398
Construction Fund	392,920	48,046,011
Nonmajor Governmental Funds		12,033,522
Food Service Fund	5,544,476	
Nonmajor Enterprise Funds		890,177
	<u>\$ 40,635,834</u>	<u>\$ 92,873,108</u>

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note A—Summary of Significant Accounting Policies--Continued

Transfers to Other Funds--Although each fund is its own distinct reporting entity, periodically, funds have cause to transfer their revenues to other funds. The most common reasons necessitating interfund transfers are for debt service payments and grant matching funds. Debt service payments may be paid from revenues in the Capital Outlay Fund, Building Fund, Construction Fund, Food Service Fund, or one grant within the Grants & Awards Fund, but the expenditures are recorded in the Debt Service Fund with transfers recorded to keep the funds in balance. At times, the District receives grants which require an amount of matching funds. Usually, General Fund supplies this match offset by transfers to the Grants & Awards Fund. The following is a schedule of the District's transfers during the year:

	<u>Transfers from other funds</u>	<u>Transfers to other funds</u>
General Fund	\$ 36,000	\$ 4,999,296
Special Revenue Fund	1,950,269	41,000
Construction Fund	4,556,264	4,067,204
Nonmajor Governmental Funds	37,277,676	37,766,736
Food Service Fund	2,964,497	
Nonmajor Enterprise Funds	94,449	4,919
	<u>\$ 46,879,155</u>	<u>\$ 46,879,155</u>

Pensions--For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Kentucky Teachers Retirement System and the County Employees Retirement System and additions to/deductions from these pensions' fiduciary net position have been determined on the same basis as they are reported by those pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)--For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Kentucky Teachers Retirement System and the County Employees Retirement System and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the respective Systems. For this purpose, the Systems recognize benefit payments 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.

Note B—Cash, Cash Equivalents and Investments

The District's deposits are maintained in six designated financial institutions. Deposits at all these financial institutions are entirely insured by federal depository insurance or by collateral held by the financial institutions in the District's name, as is required by the District's investment policy though custodial credit risk is not specifically mentioned in this policy. During the year, the District invests excess cash into short-term United States Government obligations or bank certificates of deposit collateralized by U.S. Government securities. These investments are either insured or securities are held by the pledging financial institution's trust department in the District's name.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note B—Cash, Cash Equivalents and Investments--Continued

In compliance with Kentucky Statutes, the District’s investment policy 04.6 specifies that the District’s investment objectives, in order of priority are the following:

- a. Legality
- b. Safety of principal
- b. Liquidity to enable the District to meet all operating requirements
- c. Return on Investment

The complete investment policy 04.6 is available at <https://www.jefferson.kyschools.us/books/046-investments>. Investments consist of certificates of deposit and U.S. Government agency securities. The certificates of deposit are held by various schools’ activity funds in the Fiduciary Funds at several financial institutes located in Jefferson County, Kentucky, and have various rates of interest and maturity dates greater than ninety days. Such investments are stated at fair value as of June 30. These investments are covered by depositor insurance or by collateral held by the financial institutions in the District’s name. The U.S. Government Securities also have maturities greater than ninety days and their value has been adjusted to the fair value. As of June 30, 2018, the District had the following investments:

<u>Fund Type</u>	<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's Rating</u>	<u>Weighted Average Maturity in Years</u>
Governmental	Federal Agencies	\$ 65,208,061	Aaa	2.64
Agency	Certificates of Deposit	<u>731,367</u>		0.92
		<u>\$ 65,939,428</u>		

GASB No 40, *Deposits and Investment Risk Disclosures*, requires the District to address the following risks related to its investments:

Credit Risk--Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. In an effort to minimize the likelihood that an issuer will default, the District has limited the number of permissible investments under its investment policy to certain highly rated investments. In accordance with this policy, the District is authorized to invest in the following:

- a. Obligations of the United States and of its agencies, national corporations, and instrumentalities, including repurchase agreements
- b. Certificates of deposit issued by banks or savings and loan institutions
- c. Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities
- d. Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, but only if fully defeased by direct obligations of or guaranteed by the United States of America
- e. 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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note B—Cash, Cash Equivalents and Investments--Continued

Custodial Credit Risk--Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by the District are insured or collateralized with securities held in the District's name. The securities held as collateral are maintained either by the Federal Reserve or in the trust area of major national banks.

Interest Rate Risk--Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by purchasing a combination of cash holdings, shorter-term, and longer-term investments. The District's investments in federal agency securities are callable instruments and particularly carry this form of risk. The District has no formal policies relating to interest rate risk.

Concentration of Credit Risk--The District's investment policy places no limit on the amount the District may invest with any one issuer; however, all holdings must be collateralized with securities held in the District's name. As of June 30, 2018, the District had \$1,750,000 of deposits insured by the Federal Depositors Insurance Corporation and \$264,122,238 of deposits that were uninsured but collateralized by securities held in the District's name and \$27,332 that were uninsured and uncollateralized.

Fair Value Measurement – The District's investments are measured and reported at fair value are classified accordingly to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Debt securities classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject pricing by an alternative pricing source due to lack of information available by the primary vendor.

Fair Value Measurements Using

<u>Investments by Fair Value Level</u>	<u>6/30/2018</u>	<u>Quoted Prices in Active Markets for Identical Assets - Level 1</u>	<u>Significant Other Observable Inputs - Level 2</u>	<u>Significant Other Unobservable Inputs - Level 3</u>
<i>Debt Securities</i>				
Certificates of Deposit	\$ 731,367		\$ 731,367	
U.S. Agency Obligations	\$ 65,208,061	\$ 65,208,061		
Total Debt Securities	\$ 65,939,428	\$ 65,208,061	\$ 731,367	

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note C—Receivables

The District recognizes revenues as receivable when they are measurable and receipt is certain. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions. While the District receives revenues from many different outside sources throughout the year, the accounts and grants receivable from outside sources may be grouped into the following categories:

Accounts and grants receivable from outside sources	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts receivable	185,154	\$ 471,175	\$ 656,329
Taxes receivable	20,209,575		20,209,575
Grants receivable	14,743,224		14,743,224
	<u>35,137,953</u>	<u>\$ 471,175</u>	<u>\$ 35,609,128</u>

Federal and state grants to be used or expended as specified by the grantor are recognized as revenue and recorded as receivables as qualifying expenditures are made.

The following is the District's property tax calendar:

<u>Date</u>	<u>Event</u>
January 1, year of levy	Assessment date
October 1, year of levy	Taxes levied
November 30, year of levy	2% discount allowed
December 31, year of levy	1% discount allowed
January 31, following year	Gross amount due
February 1, following year	Delinquent date, 1½ % interest added per month
April 1, following year	10% penalty added

Unpaid property taxes attach as an enforceable lien on real property as of the delinquent date. The Jefferson County Clerk's Office collects personal property tax on vehicles when registered. The Jefferson County Sheriff's Office bills and collects all property taxes on real estate and other personal property on behalf of the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

Although the District has taxes receivable from a variety of constituents, a substantial portion of the debtors' ability to honor this debt is dependent upon the widely diverse economic environment of the Commonwealth of Kentucky and the local area.

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note D—Capital Assets

Activity in capital assets during the year ended June 30, 2018 consisted of the following:

	Balance June 30, 2017	Additions	Dispositions	Balance June 30, 2018
Governmental Activities				
Land	\$ 29,300,683		\$ 55,518	\$ 29,245,165
Construction in progress	43,156,337	\$ 57,718,313	75,019,031	25,855,619
	<u>72,457,020</u>	<u>57,718,313</u>	<u>75,074,549</u>	<u>55,100,784</u>
Land improvements	40,875,463	1,733,367	350,206	42,258,624
Buildings & building improvements	1,213,440,013	86,634,597	4,941,329	1,295,133,281
Technology equipment	93,677,939	8,940,688	6,662,417	95,956,210
Vehicles	99,608,806	11,795,048	4,499,970	106,903,884
General equipment	56,685,076	4,272,427	1,331,178	59,626,325
	<u>1,504,287,297</u>	<u>113,376,127</u>	<u>17,785,100</u>	<u>1,599,878,324</u>
Less Accumulated Depreciation				
Land				
Land improvements	26,627,318	1,332,917	337,519	27,622,716
Buildings & building improvements	666,380,732	31,664,984	4,454,695	693,591,021
Technology equipment	70,183,005	9,587,090	6,381,585	73,388,510
Vehicles	76,735,204	5,700,980	4,473,245	77,962,939
General equipment	31,696,790	3,295,726	1,031,844	33,960,672
	<u>871,623,049</u>	<u>51,581,697</u>	<u>16,678,888</u>	<u>906,525,858</u>
	<u>\$ 705,121,268</u>	<u>\$ 119,512,743</u>	<u>\$ 76,180,761</u>	<u>\$ 748,453,250</u>

Included in this table is current construction in progress. Items are not depreciated until placed into service. Accordingly, these items have no accumulated depreciation. Please note that minor adjustments or corrections are included in the dispositions column above and may cause small variances.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note D—Capital Assets—Continued

	Balance June 30, 2017	Additions	Dispositions	Balance June 30, 2018
Business-type Activities				
Land	\$ 1,000,000			\$ 1,000,000
Land improvements	4,745			4,745
Buildings & building improvements	17,030,604			17,030,604
Technology equipment	1,483,636	\$ 89,980	\$ 167,995	1,405,621
Vehicles	1,899,992	214,928		2,114,920
General equipment	28,791,218	970,508	648,407	29,113,319
	<u>50,210,195</u>	<u>1,275,416</u>	<u>816,402</u>	<u>50,669,209</u>
Less Accumulated Depreciation				
Land improvements	810	237		1,047
Buildings & building improvements	6,131,337	342,361		6,473,698
Technology equipment	971,303	222,861	167,323	1,026,841
Vehicles	1,519,103	142,178		1,661,281
General equipment	21,083,217	1,328,069	632,655	21,778,631
	<u>29,705,770</u>	<u>2,035,706</u>	<u>799,978</u>	<u>30,941,498</u>
	<u>\$ 20,504,425</u>	<u>\$ (760,290)</u>	<u>\$ 16,424</u>	<u>\$ 19,727,711</u>

Please note that minor adjustments or corrections are included in the dispositions column above and may cause small variances.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note D—Capital Assets—Continued

Depreciation expense for business-type activities was entirely incurred in the operation of the District’s school food services program. Depreciation for governmental activities is included in the following functional categories:

Instruction	\$ 42,402,459
Student Support Services	1,017
Staff Support Services	2,458
District Administrative Support Services	2,495,680
Business Support Services	9,322
Plant Operation and Maintenance	755,542
Student Transportation	5,816,500
Community Service Operations	<u>98,719</u>
	<u>\$ 51,581,697</u>

Net Investment in Capital Assets--On the District-wide Statement of Net Position, capital assets from Note D and Long-term Debt represent material portions of the District’s net position. This calculation is as follows:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets, net of related depreciation	\$ 748,453,250	\$ 19,727,711
Less: School building revenue bonds	(402,794,001)	(1,113,962)
Less: Deferred savings from refunding bonds	(3,575,876)	
Add: Bond proceeds not yet spent on capital projects	<u>6,788,893</u>	<u> </u>
	<u>\$ 348,872,266</u>	<u>\$ 18,613,750</u> *Rounded

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note E—Long-Term Liabilities

School Building Revenue Bonds

		<u>Original</u>	<u>Outstanding</u>
2002	Series A, interest rates set at 5.5%, principal and interest payable semiannually on January 1 and July 1, with maturities through 2022	\$ 35,095,000	\$ 15,340,000
2008	Series B QZAB, non-interest bearing and full bond liability due at maturity in December 2022	5,200,000	5,200,000
2009	Series A, interest rate of 5.25%, principal and interest payable semiannually on July 1 and January 1, with maturities through 2019	32,515,000	4,395,000
2009	Series C, interest rates ranging from 3.5% to 4.0%, principal and interest payable semiannually on August 1 and February 1, with maturities through 2019	39,580,000	4,380,000
2010	Series A, interest rates ranging from 3.0% to 3.5%, principal and interest payable semiannually on October 1 and April 1, with maturities through 2021	13,705,000	6,290,000
2010	Series B, interest rates ranging from 2.125% to 2.5%, principal and interest payable semiannually on June 1 and December 1, with maturities through 2022	16,170,000	10,840,000
2010	Series C QSCB, interest rate 5.125%, principal and interest payable semiannually on May 1 and November 1, with maturities through November 2029	27,483,000	12,200,657
2011	Series A QSCB, interest rate 4.650%, principal and interest payable semiannually on June 1 and December 1, with maturities through June 2026	30,352,000	6,237,306
2012	Series A, interest rates ranging from 2.0% to 3.375% and interest payable semiannually on March 1 and September 1, with maturities through March 2032	13,850,000	10,360,000

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note E—Long-Term Liabilities--Continued

		<u>Original</u>	<u>Outstanding</u>
2012	Series B, interest rates ranging from 2.0% to 2.6% and interest payable semiannually on July 1 and January 1, with maturities through January 2024	20,510,000	12,425,000
2012	Series C, interest rate 1.9%, principal and interest payable semiannually on March 1 and September 1, with maturities through September 2024	18,730,000	12,935,000
2012	Series D, interest rates ranging from 2% to 3.125% principal and interest payable semiannually on October 1 and April 1, with maturities through October 2032	27,235,000	26,460,000
2013	Series A, interest rates ranging from 2% to 2.375% principal and interest payable semiannually on June 1 and December 1, with maturities through October 2025	22,860,000	21,150,000
2013	Series B, interest rates ranging from 2% to 4% principal and interest payable semiannually on July 1 and January 1, with maturities through July 2026	35,550,000	31,255,000
2013	Series C, interest rates ranging from 3% to 5% principal and interest payable semiannually on November 1 and May 1, with maturities through November 2033	33,005,000	30,970,000
2014	Series A, interest rates ranging from 3% to 5% principal and interest payable semiannually on November 1 and May 1, with maturities through May 2034	42,890,000	41,530,000
2014	Series B, interest rates ranging from 2% to 5% principal and interest payable semiannually on October 1 and April 1, with maturities through October 2020	21,630,000	11,185,000
2015	Series A, interest rates ranging from 3% to 5% principal and interest payable semiannually on October 1 and April 1, with maturities through April 2035	16,465,000	14,855,000
2015	Series B, interest rates set at 4% with principal and interest payable semiannually on December 1 and June 1, with maturities through December 2026	36,285,000	34,365,000

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note E—Long-Term Liabilities—Continued

		<u>Original</u>	<u>Outstanding</u>
2015	Series C, interest rates ranging from 3% to 5% principal and interest payable semiannually on December 1 and June 1, with maturities through December 2035	15,160,000	14,730,000
2016	Series A, interest rates ranging from 2% to 4% principal and interest payable semiannually on July 1 and January 1, with maturities through July 2036	39,855,000	38,970,000
2016	Series B, interest rates set at 2% with principal and interest payable semiannually on April 1 and October 1, with maturities through October 2028	7,120,000	6,565,000
2017	Series A, interest rates set at 5% with principal and interest payable semiannually on August 1 and February 1, with maturities through August 2029	31,270,000	31,270,000
		<u>\$ 582,515,000</u>	<u>\$ 403,907,963</u>

Bonds outstanding as of June 30, 2018, are reported in the accompanying District-wide Statement of Net Position as follows:

	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Governmental activities	\$ 32,111,038	\$ 370,682,963	\$ 402,794,001
Business-type activities	<u>1,113,962</u>	<u> </u>	<u>1,113,962</u>
	<u>\$ 33,225,000</u>	<u>\$ 370,682,963</u>	<u>\$ 403,907,963</u>

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note E—Long-Term Liabilities--Continued

The School Building Revenue Bonds listed below are subject to redemption prior to their stated maturity dates at the option of the Board. The redemption prices include a premium of 1% to 3% of the outstanding principal amounts. The earliest allowable redemption dates for each Series are as follows:

2002 Series A	January 2022	2011 Series A	June 2021	2013 Series B	July 2023	2015 Series C	December 2025
2009 Series A	January 2019	2012 Series A	June 2022	2013 Series C	November 2023	2016 Series A	July 2026
2009 Series C	February 2019	2012 Series B	June 2024	2014 Series A	May 2024	2016 Series B	October 2028
2010 Series A	April 2021	2012 Series C	September 2024	2014 Series B	October 2020	2017 Series A	February 2027
2010 Series B	June 2022	2012 Series D	October 2022	2015 Series A	April 2025		
2010 Series C	November 2020	2013 Series A	June 2023	2015 Series B	December 2026		

In connection with most of the above listed bond issues, the District has entered into participation agreements with the Kentucky School Facilities Construction Commission (the “Commission”) which provides that the Commission will remit a stated amount of bond principal and interest payments annually, subject to biennial approval by the Kentucky General Assembly. Should approval not be received in future periods, the District remains obligated for the full amount of the bond principal and interest payments.

Assuming no issues are called prior to scheduled maturity and continued Commission participation, the minimum obligations of the District at June 30, 2018 for debt service is as follows:

Year Ending June 30	Principal	Interest	Total Repayments	Less: Commission Participation	Net Repayments
2019	\$ 33,225,000	\$ 13,264,438	\$ 46,489,438	\$ 10,753,498	\$ 35,735,939
2020	28,545,000	12,033,340	40,578,340	9,280,370	31,297,970
2021	29,080,000	11,124,740	40,204,740	8,902,056	31,302,684
2022	30,855,000	10,194,985	41,049,985	7,888,903	33,161,082
2023	29,545,000	9,150,650	38,695,650	7,888,439	30,807,211
2024-2028	127,152,306	32,852,619	160,004,925	30,614,019	129,390,906
2029-2033	98,065,657	13,542,970	111,608,627	20,985,362	90,623,265
2034-2037	27,440,000	1,353,145	28,793,145	8,523,045	20,270,100
TOTAL	\$ 403,907,963	\$ 103,516,887	\$ 507,424,850	\$ 104,835,692	\$ 402,589,158

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note E—Long-Term Liabilities—Continued

All bonds issued by the District were revenue bonds or refunding bonds of revenue bonds, and the proceeds were used to construct or renovate schools and other facilities. The bonds payable are collateralized by the educational facilities constructed by the District with bond proceeds. Bonds are repaid principally from state revenues in the Capital Outlay Fund and local revenues in the Building Fund. General Fund revenues are available to pay for debt service but have not been needed for this purpose.

Although defeased, the funded debt will not be actually retired until the call dates have come due or until maturity if they are not callable issues. As of June 30, 2018, the outstanding principal amount of indebtedness that is considered to be extinguished under “in substance defeasance” and therefore excluded from the District-wide financial statements was \$45,627,037.

Qualified School Construction Bonds--The District has issued two taxable Qualified School Construction Bonds with direct payment to issuer. As part of this program, the District pays interest to the purchaser at taxable interest rates and receives a refund from the US Department of Treasury for our interest payments. The accompanying official bond statements specify that the District will make payments, which will be held in trust for the sole purpose of redeeming the bonds held by the bondholders at maturity. Accordingly, as principal payments are made, both the cash held in trust and the payments made into the trust will be excluded from the District’s assets and liabilities, respectively.

On December 23, 2008, the District issued \$5,200,000 in Special Obligations School Financing Bond Series 2008B as a QZAB to finance capital projects at Cane Run and Shacklette Elementary Schools. On December 23, 2009, the District began making annual payments of \$371,429 to an escrow account at a local bank. Such payments are being held in trust and invested at an interest rate of 6.0% in accordance with the funding agreement. The final annual payment is due December 23, 2022, at which time the QZAB will mature and the principal will be paid in full from the escrow account.

Estimated Liability for Workers' Compensation Benefits--The estimated liability for workers' compensation benefits consists of claim settlements for reported and outstanding claims and estimated claim settlements for incurred but not reported claims (based upon historical experience and an actuarial study). Estimated claim settlements for incurred but not reported claims are discounted at 6% over the anticipated payment periods to reflect the time value of money. This liability, along with certain related assets and liabilities, is accounted for within the Workers' Compensation Trust Fund, which is a self-insurance fund administered by the District for the purpose of providing workers' compensation insurance to employees of the District.

The District maintained reinsurance covering that portion of risks in excess of \$1,000,000 for any one occurrence with a \$500,000 deductible for the year ended June 30, 2018. The limit is subject to audit by the District's insurer. The District remains liable to the extent that claims are less than the amount of reinsurance coverage or if the reinsuring company is unable to pay its portion of claims. Workers' Compensation liability is charged against the same fund from which each employee's salary is paid when liquidated. The majority of these liquidations are made from General Fund, Special Revenue Fund, and School Food Services Fund.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note E—Long-Term Liabilities—Continued

Accrued Vacation Pay and Sick Leave--In accordance with generally accepted governmental accounting principles, the District has recorded accrued vacation pay and accrued sick leave as long-term liabilities in the District-wide Statement of Net Position. Accrued vacation pay, which may be accumulated for a period of up to two years, is payable upon termination of employment. Accrued sick leave, which has no maximum accumulation, is payable upon retirement at 30% of the value of accumulated sick leave. Both accrued sick leave and accrued vacation pay liabilities are charged against the same fund from which each employee's salary is paid when liquidated. The majority of these liquidations are made from General Fund, Special Revenue Fund, and School Food Services Fund.

Activity in long-term liabilities during the year ended June 30, 2018 consisted of the following:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Governmental Activities:				
School building revenue bonds	\$ 436,795,291		34,001,290	\$ 402,794,001
Estimated liability for				
workers' compensation benefits	25,462,147	7,481,047	6,814,631	26,128,563
Accrued vacation pay	7,399,041	5,710,518	5,603,080	7,506,479
Accrued sick leave	<u>46,258,548</u>	<u>1,169,908</u>	<u>9,173,686</u>	<u>38,254,770</u>
	<u>\$ 515,915,027</u>	<u>\$ 14,361,473</u>	<u>\$ 55,592,687</u>	<u>\$ 474,683,813</u>
Business-type Activities:				
School building revenue bonds	<u>\$ 2,237,861</u>		<u>\$ 1,123,899</u>	<u>\$ 1,113,962</u>

On the Statement of Net Position, long-term liabilities are split between the current maturities, which are expected to be paid within one year, and the long-term maturities, which are expected to be paid beyond one year later.

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note F—Retirement Plans

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. Both plans use the entry age normal actuarial funding method and the accrual basis of accounting. Each plan’s fiduciary net position has been determined on the same basis as used by the plan.

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 State of Kentucky. Under the provisions of the Kentucky Revised Statute (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

Benefits provided—CERS provides retirement and other postemployment benefits, which are described further in Note H. Employees are vested in the plan after five years’ service. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years service and 55 years old At least 25 years service and any age
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

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note F—Retirement Plans--Continued

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components.

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

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

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 State. 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 State of Kentucky and therefore is included in the State's financial statements. KTRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/employers/information/gasb-65-67/>.

Benefits provided—For employees who have established an account in a retirement system administered by the State 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 who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) 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 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. Employees hired on or after July 1, 2008, will receive monthly benefits equal to the average of their top three salary years multiplied by a sliding scale rate from 1.7% up to 2.5% based on years of service up to 30 years. Beyond 30 years of service, the rate increases to 3.0%.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note F—Retirement Plans--Continued

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 KRS. Employees are required to contribute 12.855% of their salaries to the System. The State 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 15.355% 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.

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

At June 30, 2018, 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 State of Kentucky provides the pension support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability	\$	453,555,219
Commonwealth's proportionate share of the KTRS net pension liability associated with the District		<u>5,016,422,679</u>
	\$	<u>5,469,977,898</u>

The net pension liability for each plan was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note F—Retirement Plans--Continued

The District’s proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2017, the District’s proportion was 7.748699% percent.

For the year ended June 30, 2018, the District recognized pension expense of \$72,958,052 related to CERS and \$357,092,379 related to KTRS, of which \$178,230,429 was recognized on the fund financial statements as it represented amounts paid on the District’s behalf during the year. The District also recognized revenue of \$357,092,379 for KTRS support provided by the State. As of the June 30, 2017 measurement date, 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	\$ 562,556	\$ 11,513,173
Changes of assumptions	83,693,217	
Net difference between projected and actual earnings on pension plan investments	35,921,026	30,311,072
Changes in proportion and differences between District contributions and proportionate share of contributions		6,159,781
District contributions subsequent to the measurement date	<u>22,849,672</u>	
Total	<u>\$ 143,026,471</u>	<u>\$ 47,984,026</u>

\$22,849,672 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

	Year ended June 30:
2019	\$ 30,829,905
2020	32,409,199
2021	14,777,558
2022	(5,823,891)
2023	\$ -

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note F—Retirement Plans--Continued

Actuarial assumptions—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	3.25%	3.00%
Projected salary increases	4.00%	3.5-7.3%
Investment rate of return, net of investment expense & inflation	7.50%	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). There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

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.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2005 through 2013, is outlined in a report dated August 30, 2014. 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 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:

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note F—Retirement Plans--Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	42%	4.4%
International Equity	20%	5.3%
Fixed Income	16%	1.5%
Additional Categories	9%	3.6%
Real Estate	5%	4.4%
Private Equity	6%	6.7%
Cash	2%	0.8%
Total	100%	

Discount rate—For CERS, the discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 7.50%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

For KTRS, the discount rate used to measure the total pension liability was 4.49%. 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 by the state at statutorily required rates. 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 employees until the 2036 plan year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments through 2035 and a municipal bond index rate of 4.35% was applied to all periods of projected benefit payments after 2035. The Single Equivalent Interest Rate (SEIR) that discounts the entire projected benefit stream to the same amount as the sum of the present values of the two separate benefit payments streams was used to determine the total pension liability.

Sensitivity of CERS and KTRS proportionate share of net pension liability to changes in the discount rate—The following table presents 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:

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note F—Retirement Plans—Continued

	<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	\$ 572,031,110	\$ 453,555,175	\$ 354,450,948
KTRS	3.49%	4.49%	5.49%
District's proportionate share of net pension liability	-	-	-

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

Retirement Plan--The District makes available various 401(k) and 403(b) defined contribution pension plans for all employees. These Plans are administered by independent third party administrators. Employees are allowed to contribute any amount to the Plans up to the Internal Revenue Code maximum allowable amount. The District does not contribute to the Plans, but the District retains authority to amend or terminate these plans. During the fiscal year ended June 30, 2018, employees of the District contributed \$2,105,850 to 401(k) plans and \$9,227,142 to 403(b) plans.

Note G—Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, allows entities with little or no administrative involvement and who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District therefore does not show these assets and liabilities on its financial statements. The District does not contribute to these plans, and employees of the District contributed \$2,298,963 to these plans during the fiscal year ended June 30, 2018.

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits

Retired District employees may receive postemployment benefits other than pensions (OPEB) through the same fiduciary pension system to which they contributed during their employment. In accordance with Kentucky Revised Statutes, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS and the KTRS plans. Required schedules of funding progress immediately follow these notes to the financial statements and present multi-year trend information about funding levels. The KTRS maintains two separate OPEB plans for its retirees. These pensions, their administrative structure, and how to access their financial and actuarial reports are discussed further in Note F.

CERS

CERS provides health insurance, disability insurance and death benefits to Plan employees and beneficiaries. As discussed in Note F, pension benefits are grouped into three tiers based on participation date with benefits adjusted based on tier. OPEB are not adjusted by tier other than the determination of retirement eligibility.

Benefits provided—Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. If a participating employee suffers a work-related death, CERS will provide a lump sum payment of \$10,000 plus a lifetime monthly payment of 75% of the member's monthly average until the spouse's death or remarriage. If a participating employee dies prior to retirement and the death is not work-related, the beneficiary may choose from a selection of actuarial calculated lump sum or annuity payments. Five years' service is required for non-service-related disability benefits, and the disabled employee must be determined as disabled by KRS Medical Review Physicians panel.

Contributions—CERS employer contributions are split between the pension fund (approximately 75%) and the OPEB (approximately 25%). Employee contributions are 5% of their salary. Employees of tiers 2 and 3 contribute an additional 1% of their salary before retirement to fund OPEB.

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

At June 30, 2018, the District reported a liability of \$155,775,355 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, 2017, 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, 2017, the District's proportion was 7.749%, which was the first year of measurement.

The District recognized \$155,775,355 as its proportionate share of net OPEB liability associated with its employees participating in CERS as of June 30, 2018.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

For the year ended June 30, 2018, the District recognized OPEB expense of \$17,751,176. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 33,895,735	
Contributions after measurement date	7,616,557	
Difference between expected and actual experience		\$ 432,659
Difference between projected and actual earnings on OPEB plan investments		7,361,860
Change in proportionate share		361,445

Of the total amount reported as deferred outflows of resources related to OPEB, deferred outflows 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized over a closed period of either five years for investments-related deferrals or the estimated remaining service life for active participants in CERS for other deferred items. As of June 30, 2017 plan year, the estimated remaining service life was 6.28 years. These items will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30</u>		
2019	\$	4,428,784
2020		4,428,784
2021		4,428,784
2022		4,428,784
2023		6,269,249
Thereafter	\$	1,755,389

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

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

Investment rate of return		7.50%
Projected salary increases		4.00%
Inflation rate		3.25%
Actuarial cost method		Entry age normal
Mortality		RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)
Healthcare cost trend rates:		
Under 65		Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years
Ages 65 and older		Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of two years
Municipal bond index rate		3.56%
Municipal bond index		Fidelity 20-Year Municipal GO AA Index

The long-term expected rate of return on OPEB plan investments was determined using an asset valuation method where 20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.

Discount rate - The discount rate used to measure the total OPEB liability was 5.84%. 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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

The following table presents the District’s proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.84%, as well as what the District’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.84%) or 1-percentage-point higher (6.84%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
CERS discount rate	4.84%	5.84%	6.84%
Net OPEB Liability	\$ 198,215,502	\$ 155,775,355	\$ 120,458,482

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>Current Health Care Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 119,487,714	\$ 155,775,355	\$ 202,947,154

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

KTRS Medical Insurance Plan

Benefits provided—To be eligible for medical benefits, the member must have either retired from service or due to disability. The KTRS 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. KTRS 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 KTRS 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 KTRS Medicare Eligible Health Plan.

Contributions—In order to fund the post-retirement healthcare benefit, six and three quarters percent (6.75%) of the gross annual payroll of employees before July 1, 2008 is contributed. Three percent (3%) is paid by member contributions, three quarters percent (.75%) from State appropriation and three percent (3%) from the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

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

At June 30, 2018, the District reported a liability of \$16,753,572 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, 2017, 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, 2017, the District’s proportion was 9.779%, which was the first year of measurement.

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

District's proportionate share of the net OPEB liability	\$ 16,753,572
State's proportionate share of the District's net OPEB liability	<u>13,685,174</u>
Total	<u>\$ 30,438,746</u>

For the year ended June 30, 2018, the District recognized OPEB expense of \$22,687,000 and revenue of \$18,534,000 for support provided by the State. At June 30, 2018, the District reported deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual earnings on OPEB plan investments		\$ 4,485,000

Since there were no deferred outflows of resources related to OPEBs during FY2018, other amounts reported as deferred inflows of resources related to OPEB will be recognized in the District’s OPEB expense as follows:

<u>Year ended June 30</u>	
2019	\$ (1,128,000)
2020	(1,128,000)
2021	(1,128,000)
2022	(1,128,000)
2023	\$ -

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

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

Investment rate of return		8.00%, net of OPEB Plan Investment Expense, including Inflation
Projected salary increases		4.00%
Inflation rate		3.00%
Real Wage Growth		0.50%
Wage Inflation		3.50%
Healthcare cost trend rates:		
Under 65		7.75% for FY2018 decreasing to an ultimate rate of 5.00% by FY2024
Ages 65 and Older		5.75% for FY2018 decreasing to an ultimate rate of 5.00% by FY2021
Medicare Part B Premiums		0.00% for FY2018 with an ultimate rate of 5.00% by FY2030
Municipal Bond Index Rate		3.56%
Discount Rate		8.00%
Single Equivalent Interest Rate		8.00%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

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>% of Assets in Category</u>
Domestic and International Equities	64.0%
Fixed Income	15.3%
Additional Categories	7.2%
Alternative Investments	6.5%
Real Estate	5.8%
Cash Equivalents	1.2%
Total	<u>100.0%</u>

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.

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

<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>	D
\$ 398,496,000	\$ 348,684,000	\$ 309,941,333	

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>Current Trend Rate</u>	<u>1% Increase</u>
\$ 292,010,218	\$ 348,684,000	\$ 418,652,739

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

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

KTRS Life Insurance Plan

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

Benefit provided—The KTRS Life Insurance Plan provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability. Active members may receive a \$2,000 lump sum payable. The benefit is payable 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 payroll of members is contributed by the state.

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

At June 30, 2018, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to KTRS 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:

State's proportionate share of the District's net OPEB liability	\$ 3,805,000
District's proportionate share of the net OPEB liability	<u>-</u>
Total	<u>\$ 3,805,000</u>

For the year ended June 30, 2018, the District recognized revenue of \$565,000 for support provided by the State. At June 30, 2018, the District did not have any deferred outflows of resources or deferred inflows of resources related to the collective net OPEB liability for life insurance benefits.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

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

Investment rate of return		7.50%, net of OPEB Plan Investment Expense, including inflation
Projected salary increases		3.50 - 7.20%, including inflation
Inflation rate		3.00%
Real Wage Growth		0.50%
Wage Inflation		3.50%
Municipal Bond Index Rate		3.56%
Discount Rate		7.50%
Single Equivalent Interest Rate		7.50%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The remaining actuarial assumptions (e.g. initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note H—Postemployment Benefits—Continued

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>% of Assets in Category</u>
Domestic and International Equities	64.0%
Fixed Income	15.3%
Additional Categories	7.2%
Alternative Investments	6.5%
Real Estate	5.8%
Cash Equivalents	1.2%
Total	<u>100.0%</u>

Discount rate - The discount rate used to measure the state’s total OPEB liability for life insurance was 7.50%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Note I—Commitments

On June 30, 2018, the District had outstanding commitments for construction of \$47,295,084.

Note J—Contingencies

The District is subject to legal actions in various stages of litigation. Based on the advice of counsel, management of the District does not anticipate that there will be any material effect on the financial position of the District as a result of the litigation presently in progress beyond the settlements recorded as liabilities as of June 30, 2018.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note J—Contingencies—Continued

In the normal course of operations, 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 expenditures. The amount of such future refunds and unreimbursed expenditures, 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 grantors' intent to continue their programs.

In addition, the District operates in a heavily regulated environment. The operations of the District are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U.S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change. Currently, the District has budgeted for such unfunded and underfunded mandates as Early Childhood (\$18.4 million), student transportation (\$50.2 million), English as a Second Language (\$17.6 million), the State Agency Children's Program (\$8.6 million), Special Education (\$71.9 million), and a new employer contribution to one of the pensions that District employees participate in (\$16.7 million), among others.

Note K—Insurance and Risk Financing Related Activities

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicle accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. To further reduce financial risk to the District, additional policies are purchased to address the risk that claims could exceed the insurance coverage limits. Over the past three years, the District has not had claims that exceeded its insurance policies and excess policies. Since claims are entirely managed through commercial insurance, the District has no claims liability as of June 30, 2018.

Note L—Encumbrances

The District classifies encumbrances as Assigned Fund Balance in the General Fund and as Restricted Fund Balance in other funds on its Balance Sheet – Governmental Funds in accordance with a directive from the Kentucky Department of Education. Issuing and controlling purchase orders is traditionally a management function, and encumbering and releasing the encumbrance of fund balance is a function of the District's management with approval of members of our Board of Education. As of June 30, 2018, encumbrances were included in our Fund Balances as follows:

General Fund Assigned Fund Balance	\$	15,843,169
Grants & Awards Fund Restricted Fund Balance		1,700,988
Construction Fund Restricted Fund Balance		36,036,021
Nonmajor governmental funds		<u>191,063</u>
Total Encumbrances	\$	<u><u>53,771,241</u></u>

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note M—Recent GASB Pronouncements

Statement No. 81, *Irrevocable Split-Interest Agreements*, establishes accounting and financial reporting standards for irrevocable split-interest agreements created through trusts, or other legally enforceable agreements. This primarily affects colleges. This Statement was adopted during the current year and did not have an impact on the financial statements.

Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contributions requirements. Items 1 and 3 were effective for reporting periods beginning after June 15, 2016 and were adopted in a prior period. Item 2 was adopted during the current year and did not have a significant impact on the financial statements.

Statement No. 86, *Certain Debt Extinguishment Issues*, this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement is applicable to advanced refundings using only existing resources. The Statement was adopted during the current year and did not have a significant impact on the financial statements.

The GASB has issued several reporting standards that will become effective for fiscal 2018 and later years' financial statements.

- Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (“ARO”s).
- Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments.
- Statement No. 85, *Omnibus 2017*, addresses practice issue that have been identified during implementation and application of certain GASB statements.
- Statement No. 87, *Leases*, the objective of which is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, the objective of this Statement is to improve the information that is disclosed in the notes to the financial statements relating to debt.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, this Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. Thus, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

The District is currently evaluating the impact that will result from adopting these GASB standards and is therefore unable to disclose the impact that adopting these standards will have on the District's financial position and the results of its operations when the standards are adopted.

Note N – Deficit Fund Balance Nonmajor Enterprise Funds

In addition to School Food Services major enterprise fund, Tuition Preschool has a deficit fund balance of \$1,214,382, and Daycare Operations has a deficit fund balance of \$247,191. These funds are negative due to the unfunded pension and postemployment liabilities and related deferred inflows and outflows.

Notes to the Financial Statements

For the Year Ended June 30, 2018



Note O – Adoption of Accounting Principle and Changes to Beginning Balances

Effective for the fiscal period beginning after June 15, 2017, the District was required to adopt Governmental Accounting Standards Board (GASB) Statement no. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (GASB 75). GASB 75 replaced the requirements of Statements no. 45 (“Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions” and no. 57 “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.” GASB 75 requires governments providing postemployment benefits such as insurances or death benefits to recognize their long-term obligation for these benefits as a liability to more comprehensively and comparably measure the full annual costs of employment with included benefits. Cost-sharing governmental employers, such as the District, are required to report a net postemployment benefits liability, postemployment benefits expense, and benefits-related assets and liabilities based on their proportionate share of the collective amounts for all governments in the plan.

GASB 75 required retrospective application. Since the District only presents one year of financial information, the beginning net postemployment benefits liability was adjusted to reflect the retrospective application. The adjustment resulted in a \$419,479,822 reduction in beginning net position for governmental activities on the Statement of Activities. On the Statement of Revenues, Expenditures and Changes in Net Position – Proprietary Funds, the adjustment resulted in a reduction of \$44,170,000 to the beginning net position for the School Food Services and a reduction of \$1,286,293 for the nonmajor enterprise funds. This changed reduced beginning net position \$45,456,293 for the business-type activities on the Statement of Activities.

Note P – Other Changes to Beginning Balance

An analysis of Construction Fund cash account restrictions identified one Qualified School Construction Bond account held in trust for the sole benefit of repayment of principal to the bondholders upon maturity and two escrow accounts held exclusively for the repayment of Qualified School Construction Bonds upon maturity. The cash balances effectively meet the requirements of in-substance defeasance. These adjustments reduced the beginning fund balance of the Construction Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds by \$6,867,147 and increased the beginning net position of the governmental activities on the Statement of Activities by \$29,023,700.

Note Q – Subsequent Event

In preparing these financial statements, management of the District has evaluated events and transactions for potential recognition or disclosure through November 6, 2018, the date the financial statements were available to be issued.

On October 18, 2018, the District issued \$29,625,000 of School Building Revenue Bonds maturing October 1, 2038. These bonds pay interest semiannually on April 1 and October 1 at rates ranging from 3% to 4.25%. These bonds were issued to fund construction projects, including HVAC, roof replacement, elevator, and chiller/boiler replacements, at fifteen schools.

Required Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

	General Fund			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Local sources				
Property taxes	\$ 416,651,894	\$ 416,651,894	\$ 419,678,233	\$ 3,026,339
Occupational taxes	161,100,000	161,100,000	162,374,610	1,274,610
Other taxes	53,975,905	53,975,905	53,658,834	(317,071)
State sources				
SEEK program	246,348,362	246,348,362	248,012,271	1,663,909
Other state revenues	193,836,724	193,836,724	300,232,367	106,395,643
Interest	1,900,000	1,900,000	3,149,013	1,249,013
Other sources	10,804,475	10,804,475	12,776,700	1,972,225
Total Revenues	1,084,617,360	1,084,617,360	1,199,882,028	115,264,668
Expenditures				
Instruction	604,930,427	604,450,999	670,151,842	(65,700,843)
Student support services	55,305,796	55,735,658	62,073,643	(6,337,985)
Instructional staff support services	107,535,081	107,979,847	112,598,595	(4,618,748)
District administration support services	5,662,311	5,858,425	5,690,355	168,070
School administration support services	91,251,460	96,091,467	98,100,041	(2,008,574)
Business support services	46,436,131	45,975,023	48,650,390	(2,675,367)
Plant operations and maintenance	125,035,219	135,562,964	117,642,222	17,920,742
Student transportation	86,207,556	86,387,934	87,843,441	(1,455,507)
Other	31,929	31,929	51,705	(19,776)
Food service operations	12,000	12,000		
Community services operations	2,868,119	2,929,622	3,027,897	(98,275)
Building renovations	1,073,603	1,067,476	1,113,161	(45,685)
Transfers to Proprietary Funds			3,058,946	(3,058,946)
Operating transfers out	2,000,687	1,570,802	1,940,350	(369,548)
Contingency	109,243,041	93,869,437		93,869,437
Total Expenditures	1,237,593,360	1,237,523,583	1,211,942,588	25,568,995
Revenues in Excess of (Less Than) Expenditures	(152,976,000)	(152,906,223)	(12,060,560)	\$ 140,833,663
Net Position, End of Year	\$ 632,044	\$ 701,821	\$ 141,547,484	

See page 65 for explanation of significant budget variances
See Independent Auditors' Report

Schedule of Revenues and Expenditures - Budget and Actual
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Grants	\$ 142,098,462	\$ 147,694,447	\$ 137,067,237	\$ (10,627,210)
Interest		15,315	10,356	(4,959)
Other Sources	30,977	30,977		(30,977)
Transfers from other funds	1,910,688	1,950,350	1,950,269	(81)
Total Revenues	144,040,127	149,691,089	139,027,862	(10,663,227)
Expenditures				
Instruction	82,872,489	85,728,748	81,801,181	3,927,567
Student support services	4,058,349	4,207,933	3,949,486	258,447
Instructional staff support services	38,807,594	43,064,991	42,625,636	439,355
District administration support services	95,263	429,661	191,290	238,371
School administration support services	233,960	453,593	462,830	(9,237)
Business support services	1,675,705	1,030,686	1,180,057	(149,371)
Plant operations and maintenance	189,174	355,014	324,114	30,900
Student transportation	3,223,777	1,563,479	1,469,636	93,843
Community service operations	10,126,139	10,182,243	7,148,129	3,034,114
Other expenditures	2,757,677	2,803,808	2,590,641	213,167
Transfers to other funds		5,000	41,000	(36,000)
Total Expenditures	144,040,127	149,825,156	141,784,000	8,041,156
Revenues in Excess of (Less Than) Expenditures		(134,067)	(2,756,138)	\$ (2,622,071)
Net Position, End of Year	\$ 12,971,802	\$ 12,837,735	\$ 10,215,664	

See page 65 for explanation of significant budget variances
See Independent Auditors' Report

Explanation of significant budget variances:

General Fund

Other state revenues increased over \$100 million over budget as the state increased its contribution to the teacher pensions. These pension payments are made on our behalf by the state and are reflected in our financial statements as other state revenues and employee benefits expenses in each of the expense functions. Accordingly, most expense functions show as over budget due to recognizing these employee benefits expenses paid by the state. Last, Contingency is a category used in Kentucky to denote an amount of fund balance not allocated to current expenses and expected to remain beyond the current year.

Grants and Awards Fund

Grants revenues and expenditures were less than budget due to the normal life of cost-reimbursement grants. In these grants, the District must spend funds then request reimbursement from the grantor; however all budgets are recorded at the full contract amount upon acceptance by our Board. Most of the District's largest grants are cost-reimbursement grants.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Net Pension Liability
 -- County Employees Retirement System Non-Hazardous
Board of Education of Jefferson County, Kentucky
 June 30, 2018

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
District's proportion of the net pension liability	7.74870%	7.83330%	8.05481%	8.15008%
District's proportionate share of the net pension liability	\$ 453,555,175	\$ 385,681,594	\$ 346,318,819	\$ 264,419,000
District's covered-employee payroll	\$ 194,383,907	\$ 191,808,980	\$ 188,718,277	\$ 189,331,814
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	233.33%	201.08%	183.51%	139.66%
Plan fiduciary net position as a percentage of the total pension liability	53.300000%	55.500000%	59.968386%	66.801030%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Net Pension Liability
 -- Kentucky Teachers Retirement System
Board of Education of Jefferson County, Kentucky
 June 30, 2018

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability	-	-	-	-
Commonwealth's proportion of the net pension liability associated with the District	18.5913%	18.3822%	18.4829%	17.8857%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 5,016,422,679</u>	<u>\$ 5,422,750,549</u>	<u>\$ 4,301,069,425</u>	<u>\$ 3,675,381,169</u>
Total	<u><u>\$ 5,016,422,679</u></u>	<u><u>\$ 5,422,750,549</u></u>	<u><u>\$ 4,301,069,425</u></u>	<u><u>\$ 3,675,381,169</u></u>
District's covered-employee payroll	\$ 622,457,214	\$ 600,769,995	\$ 588,915,332	\$ 575,283,426
District's proportionate share of the net pension liability	-	-	-	-
Commonwealth's proportionate share of the net pension liability as a percentage of District's covered-employee payroll	805.91%	902.63%	730.34%	638.88%
Plan fiduciary net position as a percentage of the total pension liability	39.83%	35.22%	78.53%	45.59%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability
 -- County Employees Retirement System Non-Hazardous
Board of Education of Jefferson County, Kentucky
 June 30, 2018

	<u>2017-18</u>	<u>2016-17</u>
District's proportion of the net OPEB liability	7.74870%	N/A
District's proportionate share of the net OPEB liability	\$ 155,775,355	\$ 122,185,342
District's covered-employee payroll	\$ 194,383,907	\$ 191,808,980
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	80.14%	63.70%
Plan fiduciary net position as a percentage of the total OPEB liability	52.400000%	52.4000%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability
 -- Kentucky Teachers Retirement System - Medical Insurance
Board of Education of Jefferson County, Kentucky
 June 30, 2018

	<u>2017-18</u>
District's proportion of the net OPEB liability	9.78%
District's proportionate share of the net OPEB liability	\$ 348,684,000
Commonwealth's proportion of the net pension liability associated with the District	7.9877%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 284,824,000</u>
Total	<u><u>\$ 633,508,000</u></u>
District's covered-employee payroll	\$ 622,457,214
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	56.02%
Plan fiduciary net position as a percentage of the total OPEB liability	21.1800%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability
 -- Kentucky Teachers Retirement System - Life Insurance
Board of Education of Jefferson County, Kentucky
 June 30, 2018

	<u>2017-18</u>
District's proportion of the net OPEB liability	0.00%
District's proportionate share of the net OPEB liability	\$ -
Commonwealth's proportion of the net pension liability associated with the District	17.3622%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 3,805,000</u>
Total	<u><u>\$ 3,805,000</u></u>
District's covered-employee payroll	\$ 622,457,214
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	79.9900%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of District Contributions
 -- County Employees Retirement System Non-Hazardous
Board of Education of Jefferson County, Kentucky
 Last Ten Fiscal Years **

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 22,849,672	\$ 26,605,500	\$ 23,316,728	\$ 33,301,465
Contributions in relation to the contractually required contribution	<u>22,849,672</u>	<u>26,605,500</u>	<u>23,316,728</u>	<u>33,301,465</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 194,383,907	\$ 191,038,985	\$ 188,718,277	\$ 189,329,298
Contributions as a percentage of covered-employee payroll	11.7549%	13.9267%	12.3553%	17.5892%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of District Contributions
 -- Kentucky Teachers Retirement System
Board of Education of Jefferson County, Kentucky
 Last Ten Fiscal Years **

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 622,457,214	\$ 600,769,995	\$ 588,915,332	\$ 575,283,426
Contributions as a percentage of covered-employee payroll	0.0000%	0.0000%	0.0000%	0.0000%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of District Contributions
 -- OPEB: County Employees Retirement System Non-Hazardous
Board of Education of Jefferson County, Kentucky
 Last Ten Fiscal Years **

	<u>2017-18</u>	<u>2016-17</u>
Contractually required contribution	\$ 22,849,672	\$ 26,605,500
Contributions in relation to the contractually required contribution	<u>22,849,672</u>	<u>26,605,500</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 194,383,907	\$ 191,038,985
Contributions as a percentage of covered-employee payroll	11.7549%	13.9267%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of District Contributions

-- OPEB: Kentucky Teachers Retirement System - Medical Insurance

Board of Education of Jefferson County, Kentucky

Last Ten Fiscal Years **

	<u>2017-18</u>
Contractually required contribution	\$ 16,753,572
Contributions in relation to the contractually required contribution	<u>16,753,572</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered payroll	\$ 622,457,214
Contributions as a percentage of covered-employee payroll	2.6915%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Schedule of District Contributions

-- OPEB: Kentucky Teachers Retirement System - Life Insurance

Board of Education of Jefferson County, Kentucky

Last Ten Fiscal Years **

	<u>2017-18</u>
Contractually required contribution	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered payroll	\$ 622,457,214
Contributions as a percentage of covered-employee payroll	0.0000%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditors' Report

Other Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

Construction Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest			\$ 124,902	\$ 124,902
Proceeds from the sale of bonds	\$ 55,000,000	\$ 55,000,000		(55,000,000)
Other income			45,497	45,497
Transfers from other funds			4,556,264	4,556,264
Total Revenues	55,000,000	55,000,000	4,726,663	(50,273,337)
Expenditures				
Building renovations	55,000,000	55,429,103	51,639,838	3,789,265
Refunding of bonds			-	0
Transfers to other funds			4,067,204	(4,067,204)
Total Expenditures	55,000,000	55,429,103	55,707,042	(277,939)
Revenues in Excess of (Less Than) Expenditures		(429,103)	(50,980,379)	<u>\$ (50,551,276)</u>
Net Position, End of Year	<u>\$ 97,840,554</u>	<u>\$ 97,411,451</u>	<u>\$ 46,860,175</u>	

School Food Services				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Lunchroom sales	\$ 6,000,000	\$ 5,290,000	\$ 3,004,729	\$ (2,285,271)
Federal grants	66,999,576	56,983,897	54,519,789	(2,464,108)
State revenues	3,787,631	4,202,132	5,065,067	862,935
Donated commodities		4,192,840	4,192,840	0
District support		77,597	2,964,497	2,886,900
Interest		101,428	101,428	0
Total Revenues	76,787,207	70,847,894	69,848,350	(999,544)
Expenses				
Food service operation	79,000,580	101,357,621	73,114,096	28,243,525
Transfers to other funds	3,360,000	3,360,000	3,801,493	(441,493)
Total Expenses	82,360,580	104,717,621	76,915,589	27,802,032
Revenues in Excess of (Less Than) Expenses	(5,573,373)	(33,869,727)	(7,067,239)	<u>\$ 26,802,488</u>
Net Position, End of Year	<u>\$ (52,826,918)</u>	<u>\$ (81,123,272)</u>	<u>\$ (54,320,784)</u>	

Basis of budgeting -- The Board accounts for and budgets according to the Generally Accepted Accounting Principles.

See page 82 for explanation of significant budget variances

See Independent Auditors' Report

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Fundsz

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2018

	SEEK Capital Outlay Fund			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
State SEEK program	\$ 8,727,000	\$ 8,727,000	\$ 8,697,469	\$ (29,531)
Expenditures				
Transfers to other funds	8,727,000	8,727,000	8,697,469	29,531
Total Expenditures	<u>8,727,000</u>	<u>8,727,000</u>	<u>8,697,469</u>	<u>29,531</u>
Revenues in Excess of (Less Than) Expenditures				<u>\$</u>
Net Position, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	

	Building Tax Fund			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 34,300,000	\$ 34,300,000	\$ 37,233,164	\$ 2,933,164
State SEEK program	180,000	180,000		(180,000)
Other sources	200,000	200,000	203,754	3,754
Total Revenues	<u>34,680,000</u>	<u>34,680,000</u>	<u>37,436,918</u>	<u>2,756,918</u>
Expenditures				
Transfers to other funds	34,680,000	34,680,000	29,069,267	5,610,733
Total Expenditures	<u>34,680,000</u>	<u>34,680,000</u>	<u>29,069,267</u>	<u>5,610,733</u>
Revenues in Excess of (Less Than) Expenditures			<u>8,367,651</u>	<u>\$ 8,367,651</u>
Net Position, End of Year	<u>\$ 1,092,048</u>	<u>\$ 1,092,048</u>	<u>\$ 9,459,699</u>	

See page 82 for explanation of significant budget variances

See Independent Auditors' Report

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2018

	Debt Service Fund			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
KSFCC allocation	\$ 7,900,000	\$ 7,900,000	\$ 10,808,651	\$ 2,908,651
Other sources	1,063,714	1,063,714	2,611,409	1,547,695
Transfers from other funds	43,407,000	43,407,000	37,277,676	(6,129,324)
Total Revenues	52,370,714	52,370,714	50,697,736	(1,672,978)
Expenditures				
Debt service	52,370,714	52,370,714	50,697,736	(1,672,978)
Total Expenditures	52,370,714	52,370,714	50,697,736	(1,672,978)
Revenues in Excess of (Less Than) Expenditures				\$
Net Position, End of Year	\$	\$	\$	

	Day Care Operations			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Day care fees	\$ 228,041	\$ 50,561	\$ 3,827	\$ (46,734)
Other state and federal revenues	44,792	348,520	342,202	(6,318)
Total Revenues	272,833	399,081	346,029	(53,052)
Expenses				
Day care operations	644,792	771,039	237,015	(534,024)
Revenues in Excess of (Less Than) Expenses	(371,959)	(371,958)	109,014	\$ (587,076)
Net Position, End of Year	\$ (728,164)	\$ (728,163)	\$ (247,191)	

See page 82 for explanation of significant budget variances

See Independent Auditors' Report

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2018

	Adult Education			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Adult education tuition	\$ 279,193	\$ 276,788	\$ 212,071	\$ (64,717)
Interest	174	2,579	2,579	-
Other state revenues	34,618	34,618	31,625	(2,993)
Total Revenues	313,985	313,985	246,275	(67,710)
Expenses				
Instruction	19,821	30,627	168,158	(137,531)
Instructional staff support services	461,280	450,475		450,475
Transfers to other funds	5,000	5,000	4,919	81
Total Expenditures	486,101	486,102	173,077	313,025
Revenues in Excess of (Less Than) Expenses	(172,116)	(172,117)	73,198	\$ 245,315
Net Position, End of Year	\$ (13,909)	\$ (13,910)	\$ 231,405	

	Tuition Pre-School			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Pre-School Tuition	\$ 747,650	\$ 889,911	\$ 889,911	\$ 0
Other state revenues	146,311	146,311	179,135	(32,824)
Total Revenues	893,961	1,036,222	1,069,046	(32,824)
Expenses				
Instruction	1,044,054	1,186,315	1,097,840	88,475
Revenues in Excess of (Less Than) Expenses	(150,093)	(150,093)	(28,794)	\$ (121,299)
Net Position, End of Year	\$ (1,335,681)	\$ (1,335,681)	\$ (1,214,382)	

See page 82 for explanation of significant budget variances

See Independent Auditors' Report

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2018

	Enterprise Programs			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Program fees	\$ 2,375	\$ 60,691	\$ 61,854	\$ (1,163)
State revenues	3,987	3,987	4,936	(949)
Transfers from other funds	95,000	98,107	94,449	3,658
Total Revenues	101,362	162,785	161,239	1,546
Expenses				
Instruction	101,270	107,060	157,129	(50,069)
Instructional staff support	36,778	66,242		
Community services	49,806	30,155		
Total Expenditures	187,854	203,457	157,129	(50,069)
Revenues in Excess of (Less Than) Expenses	(86,492)	(40,672)	4,110	\$ 51,615
Net Position, End of Year	\$ (45,820)	\$	\$ 44,782	

See below for explanation of significant budget variances

Explanation of significant budget variances:

Construction Fund

The District did not sell a bond until after the fiscal year ended, as noted in Note N. Throughout the year, the district maintained a focus on facility maintenance and renovation as it prepared projects for the upcoming bond sale and used residual cash on hand to finance ongoing projects. The variances in operating transfers in and out are routine timing differences related to year end debt service payments. These timing difference adjustments are not budgeted in the fund.

School Food Services

Food service operation is intentionally overbudgeted as the fund's prior year net position is not intended to be used within one year. This caused a \$27.8 million underage.

Building Fund

Property tax revenues as assessment growth continues to increase real estate taxes in Building Fund. Transfers to other funds were \$5.6 million under budget as the District chose to reserve these funds to pay for renovation projects using cash during the 2018-19 fiscal year.

Debt Service Fund

Transfers from other funds and debt service expenditures were lower as the District is reaping the benefits of bond refundings done during this period of low interest rates. Refunding issues capture net interest savings and do not increase the term of each bond.

Combining Balance Sheet - Nonmajor Governmental Funds
Board of Education of Jefferson County, Kentucky
 June 30, 2018

	Building Tax Fund	District Activity Funds	Total Nonmajor Governmental Funds
Assets			
Accounts receivable		\$ 125,672	\$ 125,672
Due from other funds	\$ 9,459,699	2,573,823	12,033,522
	<u>\$ 9,459,699</u>	<u>2,573,823</u>	<u>12,033,522</u>
Total Assets	<u>\$ 9,459,699</u>	<u>\$ 2,699,495</u>	<u>\$ 12,159,194</u>
Liabilities			
Accrued liabilities		\$ 116,806	\$ 116,806
Fund Balances, Restricted	\$ 9,459,699	2,582,689	12,042,388
	<u>\$ 9,459,699</u>	<u>2,582,689</u>	<u>12,042,388</u>
Total Liabilities and Fund Balances	<u>\$ 9,459,699</u>	<u>\$ 2,699,495</u>	<u>\$ 12,159,194</u>

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

	Building Tax Fund	SEEK Capital Outlay Fund	Debt Service Fund	District Activity Funds	Total Nonmajor Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 37,233,164				\$ 37,233,164
State sources					
SEEK program		\$ 8,697,469			8,697,469
KSFCC allocation			\$ 10,808,651		10,808,651
Other Sources	203,754		2,611,409	\$ 3,911,359	6,726,522
Total Revenues	37,436,918	8,697,469	13,420,060	3,911,359	63,465,806
Expenditures					
Instruction				2,588,886	2,588,886
Plant operations & maintenance				79,963	79,963
Debt service					
Principal			34,001,290		34,001,290
Interest			16,696,446		16,696,446
Total Expenditures			50,697,736	2,668,849	53,366,585
Revenues in Excess of (Less Than) Expenditures	37,436,918	8,697,469	(37,277,676)	1,242,510	10,099,221
Other Financing Sources (Uses)					
Operating transfers in			37,277,676		37,277,676
Operating transfers out	(29,069,267)	(8,697,469)			(37,766,736)
Total Other Financing Sources (Uses)	(29,069,267)	(8,697,469)	37,277,676		(489,060)
Net Change in Fund Balances	8,367,651			1,242,510	9,610,161
Fund Balances, Beginning of Year	1,092,048			1,340,179	2,432,227
Fund Balances, End of Year	\$ 9,459,699	\$	\$	\$ 2,582,689	\$ 12,042,388

See Independent Auditors' Report

Combining Statement of Net Position - Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
June 30, 2018

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Assets					
Current Assets					
Cash and cash equivalents	\$ 227,294				\$ 227,294
Accounts receivable		\$ 8,319			8,319
Due from other funds	4,579	36,463	\$ 433,318	\$ 415,817	890,177
Total Current Assets	231,873	44,782	433,318	415,817	1,125,790
Deferred Outflows of Resources					
Difference between actual and expected experience			1,109	447	1,556
Difference between projected and actual earnings on plan investments	14		70,822	28,546	99,382
Changes in Assumptions	47		231,835	93,448	325,330
Pension contributions after measurement date	12		60,066	24,212	84,290
Total Deferred Outflows of Resources	73		363,832	146,653	510,558
Liabilities					
Current Liabilities					
Accrued liabilities	133		3,235	149	3,517
Noncurrent Liabilities					
Unfunded pension liabilities	181		894,229	360,440	1,254,850
Unfunded postemployment benefits liabilities	202		994,542	400,894	1,395,638
Total Liabilities	516		1,892,006	761,483	2,654,005
Deferred Inflows of Resources					
Differences between projected and actual earnings on plan investments	17		83,117	33,503	116,637
Differences between actual and expected experience	5		23,552	9,493	33,050
Changes in proportionate share	3		12,857	5,182	18,042
Total Deferred Inflows of Resources	25		119,526	48,178	167,729
Net Position					
Unrestricted	231,405	44,782	(1,214,382)	(247,191)	(1,185,386)
Total Net Position	<u>\$ 231,405</u>	<u>\$ 44,782</u>	<u>\$ (1,214,382)</u>	<u>\$ (247,191)</u>	<u>\$ (1,185,386)</u>

See Independent Auditors' Report

Combining Statement of Revenues, Expenses and Changes in
Net Position - Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Operating Revenues					
Tuition and fees	\$ 212,071	\$ 61,854	\$ 889,911	\$ 3,827	\$ 1,167,663
Operating Expenses					
Salaries and personnel services	115,269	23,306	641,400	199,651	979,626
Employee benefits	26,775	6,904	403,315	22,873	459,867
Purchased professional services	3,316	117,285	460	2,873	123,934
Purchased property maintenance services		300	13,354		13,654
Other purchased services	5,322	693			6,015
Supplies and materials	17,165	8,641	18,763	7,210	51,779
Property	1,483		20,548		22,031
Miscellaneous	(1,172)			4,408	3,236
Total Operating Expenses	<u>168,158</u>	<u>157,129</u>	<u>1,097,840</u>	<u>237,015</u>	<u>1,660,142</u>
Loss From Operations	43,913	(95,275)	(207,929)	(233,188)	(492,479)
Non-Operating Revenues (Expenses)					
State revenues	31,625	4,936	179,135	342,202	557,898
Transfers to other funds	(4,919)				(4,919)
Transfers from other funds		94,449			94,449
Interest income	<u>2,579</u>				<u>2,579</u>
Total Non-Operating Revenues (Expenses)	<u>29,285</u>	<u>99,385</u>	<u>179,135</u>	<u>342,202</u>	<u>650,007</u>
Change in Net Position	73,198	4,110	(28,794)	109,014	157,528
Net Position, Beginning of Year	<u>158,207</u>	<u>40,672</u>	<u>(1,185,588)</u>	<u>(356,205)</u>	<u>(1,342,914)</u>
Net Position, End of Year	<u>\$ 231,405</u>	<u>\$ 44,782</u>	<u>\$ (1,214,382)</u>	<u>\$ (247,191)</u>	<u>\$ (1,185,386)</u>

See Independent Auditors' Report

Combining Statement of Cash Flows - Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2018

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Cash Flows From Operating Activities					
Cash received from customers	\$ 207,492	\$ 172,261	\$ 814,015	\$ (39,761)	\$ 1,154,007
Cash paid to suppliers	(46,646)	(29,702)	(49,430)	(7,332)	(133,110)
Cash paid to employees	(156,304)	(30,210)	(943,260)	(287,828)	(1,417,602)
Cash paid for other expenses	(7,042)	(117,285)	(460)	(7,281)	(132,068)
Net Cash Provided by (Used in) Operating Activities	(2,500)	(4,936)	(179,135)	(342,202)	(528,773)
Cash Flows From Capital and Related Financing Activities					
Interest earned	2,579				2,579
Net Cash Provided By (Used in) Capital and Related Financing Activities	2,579				2,579
Cash Flows from Noncapital Financing Activities					
Cash used for operational grant required match					-
Cash received for operational grants	31,625	4,936	179,135	342,202	557,898
Net Cash Provided by Noncapital Financing Activities	31,625	4,936	179,135	342,202	557,898
Increase (Decrease) in Cash and Cash Equivalents	31,704				31,704
Cash and Cash Equivalents, Beginning of Year	195,590				195,590
Cash and Cash Equivalents, End of Year	\$ 227,294	\$	\$	\$	\$ 227,294
Reconciliation of Loss from Operations to Net Cash Provided by (Used in) Operating Activities					
Loss from operations	\$ 43,934	\$ (95,275)	\$ (207,929)	\$ (233,188)	\$ (492,458)
Adjustments to reconcile loss from operations to cash provided by (used in) operating activities:					
Transfers	(4,919)	94,449			89,530
Change in accounts receivable		(8,319)			(8,319)
Change in amounts due from other funds	(4,579)	24,277	(75,896)	(43,588)	(99,786)
Change in deferred outflows	20,448		(203,054)	(61,498)	(244,104)
Change in amounts due to other funds	(21,278)				(21,278)
Change in accrued liabilities	(1,398)	(20,068)	3,235	(122)	(18,353)
Change in deferred inflows	(6,803)		95,183	36,811	125,191
Change in net postretirement liabilities	(27,905)		209,326	(40,617)	140,804
Net Cash Used in Operating Activities	\$ (2,500)	\$ (4,936)	\$ (179,135)	\$ (342,202)	\$ (528,773)

See Independent Auditors' Report

Combining Statement of Fiduciary Net Position
Board of Education of Jefferson County, Kentucky
 June 30, 2018

	Agency Funds				
	High School	Middle School	Elementary	Other	Total
	Activity	Activity	School	Agency	Agency
	Fund	Fund	Activity	Funds	Agency
				Funds	
Assets					
Cash and cash equivalents	\$ 3,206,297	\$ 1,093,096	\$ 1,325,944		\$ 5,625,337
Investments	676,367	50,000	5,000		731,367
Accounts receivable	11,732	943	1,851	\$ 693,873	708,399
Inventory	150,853	131,140	31,672		313,665
Total Assets	\$ 4,045,249	\$ 1,275,179	\$ 1,364,467	\$ 693,873	\$ 7,378,768
Liabilities					
Accrued liabilities	\$ 65,172	\$ 14,163	\$ 18,358		\$ 97,693
Due to student groups	3,980,077	1,261,016	1,346,109	\$ 693,873	7,281,075
Total Liabilities	\$ 4,045,249	\$ 1,275,179	\$ 1,364,467	\$ 693,873	\$ 7,378,768

Statement of Changes in Assets and Liabilities - Fiduciary Funds

	High School Activity Fund			
	2016	Additions	Deductions	2017
Assets				
Cash and cash equivalents	\$ 3,794,430	\$ 11,342,753	\$ 11,930,886	\$ 3,206,297
Investments	716,367		40,000	676,367
Accounts receivable	16,927	11,732	16,927	11,732
Inventory	96,516	150,853	96,516	150,853
Total Assets	\$ 4,624,240	11,505,338	12,084,329	\$ 4,045,249
Liabilities				
Accrued liabilities	\$ 85,153	\$ 65,172	\$ 85,153	\$ 65,172
Due to student groups	4,539,087	3,980,077	4,539,087	3,980,077
Total Liabilities	\$ 4,624,240	\$ 4,045,249	\$ 4,624,240	\$ 4,045,249

	Middle School Activity Fund			
	2016	Additions	Deductions	2017
Assets				
Cash and cash equivalents	\$ 1,134,599	\$ 4,267,132	\$ 4,308,635	\$ 1,093,096
Investments	112,000		62,000	50,000
Accounts receivable	8,029	943	8,029	943
Inventory	138,541	131,140	138,541	131,140
Total Assets	\$ 1,393,169	\$ 4,399,215	\$ 4,517,205	\$ 1,275,179
Liabilities				
Accrued liabilities	\$ 10,084	\$ 14,163	\$ 10,084	\$ 14,163
Due to student groups	1,383,085	1,261,016	1,383,085	1,261,016
Total Liabilities	\$ 1,393,169	\$ 1,275,179	\$ 1,393,169	\$ 1,275,179

Continued

Statement of Changes in Assets and Liabilities - Fiduciary Funds-Continued

Board of Education of Jefferson County, Kentucky

June 30, 2018

	Elementary School Activity Fund			
	2016	Additions	Deductions	2017
Assets				
Cash and cash equivalents	\$ 1,678,346	\$ 4,975,896	\$ 5,328,298	\$ 1,325,944
Investments	5,000			5,000
Accounts receivable	1,867	1,851	1,867	1,851
Inventory	25,787	31,672	25,787	31,672
Total Assets	\$ 1,711,000	\$ 5,009,419	\$ 5,355,952	\$ 1,364,467
Liabilities				
Accrued liabilities	\$ 8,626	\$ 18,358	\$ 8,626	\$ 18,358
Due to student groups	1,702,374	1,346,109	1,702,374	1,346,109
Total Liabilities	\$ 1,711,000	\$ 1,364,467	\$ 1,711,000	\$ 1,364,467

	Other Agency Funds			
	2016	Additions	Deductions	2017
Assets				
Accounts receivable	\$ 704,844	\$ 693,873	\$ 704,844	\$ 693,873
Total Assets	\$ 686,942	\$ 693,873	\$ 704,844	\$ 693,873
Liabilities				
Accrued liabilities	\$ 3,000		\$ 3,000	
Due to student groups	701,844	693,873	701,844	693,873
Total Liabilities	\$ 686,942	\$ 693,873	\$ 701,844	\$ 693,873

	Total All Agency Funds			
	2016	Additions	Deductions	2017
Assets				
Cash and cash equivalents	\$ 6,607,375	\$ 20,585,781	\$ 21,567,819	\$ 5,625,337
Investments	833,367	-	102,000	731,367
Accounts receivable	731,667	708,399	731,667	708,399
Inventories	260,844	313,665	260,844	313,665
Total Assets	\$ 8,433,253	\$ 21,607,845	\$ 22,662,330	\$ 7,378,768
Liabilities				
Accrued Liabilities	\$ 106,863	\$ 97,693	\$ 106,863	\$ 97,693
Due to student groups	8,326,390	7,281,075	8,326,390	7,281,075
Total Liabilities	\$ 8,433,253	\$ 7,378,768	\$ 8,433,253	\$ 7,378,768

See Independent Auditors' Report

REVENUE & DEBT CAPACITY



OPERATIONAL DATA



DEMOGRAPHIC & ECONOMIC INFORMATION

FINANCIAL TRENDS



STATISTICAL SECTION



Board of Education of Jefferson County, Kentucky

Statement of Net Position

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Net Position--Governmental					
Net investment in capital assets	\$ 348,872,266	\$ 273,951,321	\$ 237,297,859	\$ 255,725,319	\$ 256,413,828
Restricted	73,324,431	164,586,399	113,813,258	78,544,164	73,171,127
Unrestricted	<u>(695,450,592)</u>	<u>(670,453,548)</u>	<u>(627,298,464)</u>	<u>(595,108,111)</u>	<u>(596,106,874)</u>
Total Net Position--Governmental	<u>(273,253,895)</u>	<u>(231,915,828)</u>	<u>(276,187,347)</u>	<u>(260,838,628)</u>	<u>(266,521,919)</u>
Net Position--Proprietary					
School Food Services	(54,320,784)	(47,253,545)	(25,759,539)	(25,133,436)	(25,170,876)
Adult Education	231,405	158,207	86,224	11,844	81,267
Enterprise Programs	44,782	40,672	27,140	16,073	(24,392)
Tuition Pre-School	(1,214,382)	(1,185,588)	(916,622)	(916,622)	(1,119,290)
Daycare Operations	<u>(247,191)</u>	<u>(356,205)</u>	<u>(123,103)</u>	<u>(256,925)</u>	<u>(385,947)</u>
Total Net Position--Proprietary	<u>(55,506,170)</u>	<u>(48,596,459)</u>	<u>(26,685,900)</u>	<u>(26,279,066)</u>	<u>(26,619,238)</u>
Net Position--Total Primary Government	<u>\$ (328,760,065)</u>	<u>\$ (280,512,287)</u>	<u>\$ (302,873,247)</u>	<u>\$ (287,117,694)</u>	<u>\$ (293,141,157)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Net Position—Continued

Ten Years' Trend Data

	2013	2012	2011	2010	2009
Net Position—Governmental					
Net investment in capital assets	\$ 228,677,128	\$ 212,188,178	\$ 143,500,299	\$ 145,886,072	\$ 104,398,168
Restricted	81,363,249	86,615,249	138,292,201	86,818,595	90,770,829
Unrestricted	<u>(586,650,843)</u>	<u>(590,487,623)</u>	<u>(571,789,273)</u>	<u>(566,672,030)</u>	<u>(557,297,395)</u>
Total Net Position—Governmental	<u>(276,610,466)</u>	<u>(291,684,196)</u>	<u>(289,996,773)</u>	<u>(333,967,363)</u>	<u>(362,128,398)</u>
Net Position—Proprietary					
School Food Services	(23,174,444)	(22,712,049)	(24,595,022)	(27,271,890)	8,834,503
Adult Education	66,729	16,469	10,568	78,669	50,358
Enterprise Programs	(23,042)	(24,542)	73,161	(24,542)	(24,542)
Tuition Pre-School	(1,140,700)	(1,129,041)	(1,081,676)	(1,091,839)	(1,154,823)
Daycare Operations	<u>(350,751)</u>	<u>(469,617)</u>	<u>(232,515)</u>	<u>(170,912)</u>	<u>(333,559)</u>
Total Net Position—Proprietary	<u>(24,622,208)</u>	<u>(24,318,780)</u>	<u>(25,825,484)</u>	<u>(28,480,514)</u>	<u>7,371,937</u>
Net Position—Total Primary Government	<u>\$ (301,232,674)</u>	<u>\$ (316,002,976)</u>	<u>\$ (315,822,257)</u>	<u>\$ (362,447,877)</u>	<u>\$ (354,756,461)</u>



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Governmental activities					
Instruction	\$ 848,894,722	\$ 781,439,409	\$ 742,294,075	\$ 729,319,975	\$ 633,177,394
Student support services	66,627,124	63,459,349	58,812,027	60,064,328	50,729,048
Instructional staff support services	191,939,436	241,610,652	187,114,423	133,254,466	118,955,171
District administrative support services	8,792,408	8,409,278	7,872,803	7,711,286	6,972,822
School administrative support services	108,309,775	107,624,194	99,473,707	94,277,648	84,150,967
Business support services	70,521,907	90,097,373	81,828,482	33,236,652	38,844,491
Community services	26,377,760	33,835,506	25,466,326	16,012,870	9,134,416
Transportation	158,063,796	131,587,727	89,762,735	87,973,527	84,374,237
Plant operations and maintenance	118,322,852	109,198,091	110,347,315	108,222,195	103,975,188
Other instructional support services	60,065	32,859	31,660	34,945	10,000
Other					
Miscellaneous	21,617	282,916	349,122	466,078	3,572,370
Interest expense	17,204,330	16,139,220	16,116,139	16,244,178	14,825,786
Total governmental activities	1,615,135,792	1,583,716,574	1,419,468,814	1,286,818,148	1,148,721,890
Program Revenues					
Tuition	479,270	393,452	647,118	586,509	902,489
Operating grants	103,181,009	105,014,680	105,081,380	99,577,458	104,010,029
Facility grants	10,808,651	9,709,125	9,449,764	8,171,637	7,638,789
Total program revenues	114,468,930	115,117,257	115,178,262	108,335,604	112,551,307
Net Expense	\$ (1,500,666,862)	\$ (1,468,599,317)	\$ (1,304,290,552)	\$ (1,178,482,544)	\$ (1,036,170,583)



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	2013	2012	2011	2010	2009
Governmental activities					
Instruction	\$ 625,366,756	\$ 623,418,868	\$ 601,363,634	\$ 586,940,824	\$ 567,062,406
Student support services	51,229,772	54,160,536	52,377,988	51,213,194	47,260,140
Instructional staff support services	126,848,770	116,883,482	107,964,725	97,416,936	88,301,522
District administrative support services	6,527,172	6,710,803	7,442,377	6,712,202	7,373,701
School administrative support services	86,610,539	83,704,696	78,484,265	76,618,966	74,120,767
Business support services	43,593,985	41,172,767	35,599,686	37,261,343	36,802,256
Community services	11,083,387	8,791,352	9,727,125	9,332,818	8,615,638
Transportation	85,671,454	84,517,760	77,970,038	69,694,236	70,651,675
Plant operations and maintenance	105,742,034	108,900,724	101,928,275	94,416,023	99,745,065
Other instructional support services	54,928	334,291	272,702	252,475	258,204
Miscellaneous	3,785,214	199,367		4,315,433	3,175,106
Interest expense	15,146,527	16,778,960	15,314,561	16,644,665	17,747,995
Total governmental activities	1,161,660,538	1,145,573,606	1,088,445,376	1,050,819,115	1,021,114,475
Program Revenues					
Tuition	1,100,286	1,738,713	1,197,658	952,947	1,311,875
Operating grants	130,277,504	150,396,249	164,772,564	145,154,703	110,408,995
Facility grants	7,908,035	6,999,453	7,216,749	9,804,218	9,248,709
Total program revenues	139,285,825	159,134,415	173,186,971	155,911,868	120,969,579
Net Expense	\$ (1,022,374,713)	\$ (986,439,191)	\$ (915,258,405)	\$ (894,907,247)	\$ (900,144,896)

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Expense	\$ (1,500,666,862)	\$ (1,468,599,317)	\$ (1,304,290,552)	\$ (1,178,482,544)	\$ (1,036,170,583)
General revenues					
Taxes					
Property taxes	456,911,397	432,706,453	416,365,932	397,722,644	388,628,855
Occupational taxes	162,374,610	156,387,646	151,821,629	139,825,242	132,569,312
Other taxes	53,658,834	51,729,620	47,796,163	49,482,553	46,500,119
State sources					
SEEK program	256,709,740	269,121,859	274,943,838	277,043,057	270,658,773
Other state revenues	512,980,545	583,777,579	383,488,212	311,578,993	196,206,023
Interest and investment earnings	3,284,271	2,347,241	1,677,255	1,389,755	1,663,952
Miscellaneous	<u>13,409,398</u>	<u>19,899,924</u>	<u>15,948,120</u>	<u>7,123,591</u>	<u>10,032,096</u>
Total general revenues	1,459,328,795	1,515,970,322	1,292,041,149	1,184,165,835	1,046,259,130
Change in net position	(41,338,067)	44,271,519	(15,348,719)	5,683,291	10,088,547
Net position, beginning of year	<u>(231,915,828)</u>	<u>(276,187,347)</u>	<u>(260,838,628)</u>	<u>(266,521,919)</u>	<u>(276,610,466)</u>
Net position, end of year	<u>\$ (273,253,895)</u>	<u>\$ (231,915,828)</u>	<u>\$ (276,187,347)</u>	<u>\$ (266,521,919)</u>	<u>\$ (266,521,919)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	2013	2012	2011	2010	2009
Net Expense	\$ (1,022,374,713)	\$ (986,439,191)	\$ (915,258,405)	\$ (894,907,247)	\$ (900,144,896)
General revenues					
Taxes					
Property taxes	380,134,468	365,737,213	358,237,321	343,812,796	328,495,070
Occupational taxes	128,882,355	120,452,400	116,762,420	110,682,462	113,318,876
Other taxes	54,640,894	34,973,193	47,887,915	43,319,554	34,987,134
State sources					
SEEK program	272,230,951	273,991,724	252,901,298	241,750,526	269,763,902
Other state revenues	193,512,525	183,731,465	180,801,232	175,984,586	173,009,074
Interest and investment earnings	978,205	1,914,029	1,557,548	2,427,240	4,282,113
Miscellaneous	7,069,045	3,951,744	1,081,261	5,091,118	4,060,703
Total general revenues	1,037,448,443	984,751,768	959,228,995	923,068,282	927,916,872
Change in net position	15,073,730	(1,687,423)	43,970,590	28,161,035	27,771,976
Net position, beginning of year	(291,684,196)	(289,996,773)	(333,967,363)	(362,128,398)	(389,900,374)
Net position, end of year	<u>\$ (276,610,466)</u>	<u>\$ (291,684,196)</u>	<u>\$ (289,996,773)</u>	<u>\$ (333,967,363)</u>	<u>\$ (362,128,398)</u>



Board of Education of Jefferson County, Kentucky

Statement of Activities--Business-Type Activities

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Business-type activities					
School food services	\$ 76,915,589	\$ 90,450,953	\$ 68,262,191	\$ 62,724,047	\$ 57,940,891
Adult education	168,158	193,589	260,184	568,257	479,264
Enterprise programs	157,129	142,516	156,576	97,329	97,470
Tuition-based pre-school	1,097,840	1,317,912	885,771	785,927	721,285
Day care operations	237,015	652,491	428,715	480,892	712,447
Total business-type activities	78,575,731	92,757,461	69,993,437	64,656,452	59,951,357
Program Revenues					
Lunchroom sales	3,004,729	3,685,798	4,031,184	5,929,215	8,115,697
Tuition and fees	1,167,663	1,250,197	1,130,336	1,191,051	1,184,280
Grants	64,335,594	62,744,604	61,296,869	53,716,102	45,615,744
Total program revenues	68,507,986	67,680,599	66,458,389	60,836,368	54,915,721
Net Expense	(10,067,745)	(25,076,862)	(3,535,048)	(3,820,084)	(5,035,636)
General revenues					
Interest	104,007	66,817	28,898	15,502	19,302
Transfers In	3,054,027	3,099,486	3,099,316	3,116,640	3,019,304
Miscellaneous					
Total general revenues	3,158,034	3,166,303	3,128,214	3,132,142	3,038,606
Change in net assets	(6,909,711)	(21,910,559)	(406,834)	(687,942)	(1,997,030)
Net position, beginning of year	(48,596,459)	(26,685,900)	(26,279,066)	(25,591,124)	(23,594,094)
Net position, end of year	\$ (55,506,170)	\$ (48,596,459)	\$ (26,685,900)	\$ (26,279,066)	\$ (25,591,124)



Board of Education of Jefferson County, Kentucky

Statement of Activities--Business-Type Activities--Continued

Ten Years' Trend Data

	2013	2012	2011	2010	2009
Business-type activities					
School food services	\$ 57,814,952	\$ 53,687,809	\$ 48,743,018	\$ 46,664,227	\$ 48,578,438
Enterprise programs	457,769	652,770	886,965	818,928	602,040
Adult education	91,921	705,302	227,840		
Tuition-based pre-school	898,025	1,027,844	1,076,500	1,747,773	1,897,467
Day care operations	703,320	1,314,653	1,354,524	985,099	935,317
Total business-type activities	59,965,987	57,388,378	52,288,847	50,216,027	52,013,262
Program Revenues					
Lunchroom sales	9,547,373	10,188,864	10,689,363	11,072,509	12,103,704
Tuition and fees	1,748,815	2,666,252	2,948,205	3,141,576	2,934,741
Grants	45,365,186	46,004,126	41,276,054	40,179,634	38,367,708
Total program revenues	56,661,374	58,859,242	54,913,622	54,393,719	53,406,153
Net Expense	(3,304,613)	1,470,864	2,624,775	4,177,692	1,392,891
General revenues					
Interest	21,294	35,840	30,255	22,078	32,385
Transfers In	2,979,891				
Miscellaneous				(52,221)	79,744
Total general revenues	3,001,185	35,840	30,255	(30,143)	112,129
Change in net position	(303,428)	1,506,704	2,655,030	4,147,549	1,505,020
Net position, beginning of year	(23,290,666)	(24,797,370)	(27,452,400)	(31,599,949)	(33,104,969)
Net position, end of year	\$ (23,594,094)	\$ (23,290,666)	\$ (24,797,370)	\$ (27,452,400)	\$ (31,599,949)



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Primary government activities					
Instruction	\$ 848,894,722	\$ 781,439,409	\$ 742,294,075	\$ 729,319,975	\$ 633,177,394
Student support services	66,627,124	63,459,349	58,812,027	60,064,328	50,729,048
Instructional staff support services	191,939,436	241,610,652	187,114,423	133,254,466	118,955,171
District administrative support services	8,792,408	8,409,278	7,872,803	7,711,286	6,972,822
School administrative support services	108,309,775	107,624,194	99,473,707	94,277,648	84,150,967
Business support services	70,521,907	89,888,820	81,828,482	33,236,652	38,844,491
Community services	26,377,760	33,835,506	25,466,326	16,012,870	9,134,416
Transportation	158,063,796	131,587,727	89,762,735	87,973,527	84,374,237
Plant operations and maintenance	118,322,852	109,198,091	110,347,315	108,222,195	103,975,188
Other	81,682	315,775	380,782	501,023	3,582,370
School Food services	76,915,589	90,450,953	68,262,191	62,724,047	54,921,587
Adult education	168,158	193,589	260,184	568,257	479,264
Enterprise programs	157,129	142,516	156,576	97,329	97,470
Tuition-based pre-school	1,097,840	1,317,912	885,771	785,927	721,285
Day care operations	237,015	652,491	428,715	480,892	712,447
Interest expense	17,204,330	16,139,220	16,116,139	16,244,178	14,825,786
Total primary activities	1,693,711,523	1,676,265,482	1,489,462,251	1,351,474,600	1,205,653,943
Program revenues					
Lunchroom sales	3,004,729	3,685,798	4,031,184	5,929,215	8,115,697
Tuition and fees	1,646,933	1,643,649	1,777,454	1,777,560	2,086,769
Grants	178,325,254	177,468,409	175,828,013	161,465,197	157,264,562
Total program revenues	182,976,916	182,797,856	181,636,651	169,171,972	167,467,028
Net Expense	<u>\$ (1,510,734,607)</u>	<u>\$ (1,493,467,626)</u>	<u>\$ (1,307,825,600)</u>	<u>\$ (1,182,302,628)</u>	<u>\$ (1,038,186,915)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	2013	2012	2011	2010	2009
Primary government activities					
Instruction	\$ 625,366,756	\$ 623,418,868	\$ 601,363,634	\$ 586,940,824	\$ 567,062,406
Student support services	51,229,772	54,160,536	52,377,988	51,213,194	47,260,140
Instructional staff support services	126,848,770	116,883,482	107,964,725	97,416,936	88,301,522
District administrative support services	6,527,172	6,710,803	7,442,377	6,712,202	7,373,701
School administrative support services	86,610,539	83,704,696	78,484,265	76,618,966	74,120,767
Business support services	43,593,985	41,172,767	35,599,686	37,261,343	36,802,256
Community services	11,083,387	8,791,352	9,727,125	9,332,818	8,615,638
Transportation	85,671,454	84,517,760	77,970,038	69,694,236	70,651,675
Plant operations and maintenance	105,742,034	108,900,724	101,928,275	94,416,023	99,745,065
Other	3,840,142	533,658	272,702	4,567,908	3,433,310
School Food services	54,921,587	53,687,809	48,743,018	46,664,227	48,578,438
Adult education	457,769	652,770	886,965		
Enterprise programs	91,921	705,302	227,840	818,928	602,040
Tuition-based pre-school	898,025	1,027,844	1,076,500	1,747,773	1,897,467
Day care operations	703,320	1,314,653	1,354,524	985,099	935,317
Interest expense	15,146,527	16,778,960	15,314,561	16,644,665	17,747,995
Total primary activities	1,218,733,160	1,202,961,984	1,140,734,223	1,101,035,142	1,073,127,737
Program revenues					
Lunchroom sales	9,547,373	10,188,864	10,689,363	11,072,509	12,103,704
Tuition and fees	2,849,101	4,404,965	4,145,863	4,094,523	4,246,616
Grants	183,550,725	203,399,828	213,265,367	195,138,555	158,025,412
Total program revenues	195,947,199	217,993,657	228,100,593	210,305,587	174,375,732
Net Expense	\$ (1,022,785,961)	\$ (984,968,327)	\$ (912,633,630)	\$ (890,729,555)	\$ (898,752,005)

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Expense	\$ (1,510,734,607)	\$ (1,493,467,626)	\$ (1,307,825,600)	\$ (1,182,302,628)	\$ (1,038,186,915)
General revenues					
Taxes					
Property taxes	456,911,397	432,706,453	416,365,932	397,722,644	388,628,855
Occupational taxes	162,374,610	156,387,646	151,821,629	139,825,242	132,569,312
Other taxes	53,658,834	51,729,620	47,796,163	49,482,553	46,500,119
State sources					
SEEK program	256,709,740	269,121,859	274,943,838	277,043,057	270,658,773
Other state revenues	512,980,545	583,777,579	383,488,212	311,578,993	196,206,023
Interest and investment earnings	3,388,278	2,414,058	1,706,153	1,405,257	1,683,254
District support					
Miscellaneous	<u>16,463,425</u>	<u>19,884,479</u>	<u>15,948,120</u>	<u>7,123,591</u>	<u>10,032,096</u>
Total general revenues	1,462,486,829	1,516,021,694	1,292,070,047	1,184,181,337	1,046,278,432
Change in net position	(48,247,778)	22,554,068	(15,755,553)	1,878,709	8,091,517
Net position, beginning of year	<u>(280,512,287)</u>	<u>(302,873,247)</u>	<u>(287,117,694)</u>	<u>(292,113,043)</u>	<u>(300,204,560)</u>
Net position, end of year	<u>\$ (328,760,065)</u>	<u>\$ (280,319,179)</u>	<u>\$ (302,873,247)</u>	<u>\$ (290,234,334)</u>	<u>\$ (292,113,043)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	2013	2012	2011	2010	2009
Net Expense	\$ (1,022,699,435)	\$ (984,968,327)	\$ (912,633,630)	\$ (890,729,555)	\$ (898,752,005)
General revenues					
Taxes					
Property taxes	380,134,468	365,737,213	358,237,321	343,812,796	328,495,070
Occupational taxes	128,882,355	120,452,400	116,762,420	110,682,462	113,318,876
Other taxes	54,640,894	34,973,193	47,887,915	43,319,554	34,987,134
State sources					
SEEK program	272,230,951	273,991,724	252,901,298	241,750,526	269,763,902
Other state revenues	193,512,525	183,731,465	180,801,232	175,984,588	173,009,074
Interest	999,499	1,949,869	1,587,803	2,449,318	4,314,498
District support					
Miscellaneous	7,069,045	3,951,744	1,081,261	5,038,895	4,140,447
Total general revenues	1,037,469,737	984,787,608	959,259,250	923,038,139	928,029,001
Change in net position	14,770,302	(180,719)	46,625,620	32,308,584	29,276,996
Net position, beginning of year	(314,974,862)	(314,794,143)	(361,419,763)	(393,728,347)	(423,005,343)
Net position, end of year	<u>\$ (300,204,560)</u>	<u>\$ (314,974,862)</u>	<u>\$ (314,794,143)</u>	<u>\$ (361,419,763)</u>	<u>\$ (393,728,347)</u>



Board of Education of Jefferson County, Kentucky

Balance Sheet--Governmental Activities

Ten Years' Trend Data

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets					
Cash and investments	\$ 303,166,679	\$ 364,731,342	\$ 285,421,850	\$ 277,628,167	\$ 306,906,497
Accounts and grants receivable	35,137,953	33,242,664	73,609,928	37,711,654	32,847,816
Prepaid expenditures	3,202,317	3,048,750	3,149,580	4,203,103	4,556,994
Inventories	2,910,278	2,933,918	3,175,468	3,704,679	4,335,648
Due from other funds	<u>132,618,765</u>	<u>134,046,497</u>	<u>127,344,686</u>	<u>129,238,358</u>	<u>109,339,833</u>
Total Assets	<u>\$ 477,035,992</u>	<u>\$ 538,003,171</u>	<u>\$ 492,701,512</u>	<u>\$ 452,485,961</u>	<u>\$ 457,986,788</u>
Liabilities					
Accrued liabilities	\$ 138,405,815	\$ 134,474,017	\$ 114,282,923	\$ 104,580,712	\$ 110,290,529
Due to other funds	<u>127,964,466</u>	<u>129,600,827</u>	<u>123,038,113</u>	<u>124,267,169</u>	<u>103,504,919</u>
Total Liabilities	266,370,281	264,074,844	237,321,036	228,847,881	213,795,448
Fund Balances					
Nonspendable, General Fund	6,113,779	5,982,668	6,325,049	7,907,782	8,892,642
Restricted					
Capital Projects Fund	46,860,175	104,707,701	99,415,705	92,954,598	107,817,402
Special Revenue Funds	22,258,052	15,404,029	22,989,198	11,475,601	16,293,378
Assigned, General Fund	15,843,169	17,338,950	18,887,348	17,456,000	8,737,485
Committed, General Fund	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
Unassigned, General Fund	<u>83,590,536</u>	<u>94,494,979</u>	<u>71,763,176</u>	<u>57,844,099</u>	<u>66,450,433</u>
Total Fund Balances	<u>210,665,711</u>	<u>273,928,327</u>	<u>255,380,476</u>	<u>223,638,080</u>	<u>244,191,340</u>
Total Liabilities and Fund Balances	<u>\$ 477,035,992</u>	<u>\$ 538,003,171</u>	<u>\$ 492,701,512</u>	<u>\$ 452,485,961</u>	<u>\$ 457,986,788</u>

Continued



Board of Education of Jefferson County, Kentucky

Balance Sheet--Governmental Activities--Continued

Ten Years' Trend Data

	2013	2012	2011	2010	2009
Assets					
Cash and investments	\$ 279,036,973	\$ 290,701,542	\$ 331,934,581	\$ 280,532,347	\$ 288,387,580
Accounts and grants receivable	36,686,755	43,397,301	46,609,998	42,867,310	36,649,922
Prepaid expenditures	3,019,703	2,741,976	2,375,158	4,221,212	2,733,446
Inventories	4,958,930	5,026,350	4,426,882	4,432,914	4,508,767
Due from other funds	112,763,357	127,704,525	168,930,546	127,908,470	145,551,530
Total Assets	\$ 436,465,718	\$ 469,571,694	\$ 554,277,165	\$ 459,962,253	\$ 477,831,245
Liabilities					
Accounts payable and accrued liabilities	\$ 110,169,011	\$ 111,968,326	\$ 95,632,934	\$ 93,101,911	\$ 84,532,524
Due to other funds	106,609,314	125,148,029	167,174,848	125,790,230	143,079,045
Deferred revenue	11,268,926	11,268,926	12,633,149	12,711,967	10,920,210
Total Liabilities	216,778,325	248,385,281	275,440,931	231,604,108	238,531,779
Fund Balances					
Nonspendable, General Fund	7,978,633	7,768,326	6,802,040	8,654,126	7,242,213
Restricted					
Capital Projects Fund	44,650,625	53,546,380	89,067,365	15,682,456	65,233,640
Special Revenue Funds	44,810,633	44,810,633	44,810,633	51,992,267	19,365,290
Assigned, General Fund	18,078,918	54,724,154	65,332,512	36,000,000	35,800,000
Committed, General Fund	36,000,000	36,000,000	36,000,000	26,191,701	32,777,817
Unassigned, General Fund	68,168,584	69,147,553	81,634,317	89,837,595	78,880,506
Total Fund Balances	219,687,393	221,186,413	278,836,234	228,358,145	239,299,466
Total Liabilities and Fund Balances	\$ 436,465,718	\$ 469,571,694	\$ 554,277,165	\$ 459,962,253	\$ 477,831,245



Board of Education of Jefferson County, Kentucky

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Activities

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Revenues					
Local sources					
Property taxes	\$ 456,911,397	\$ 432,706,453	\$ 416,365,932	\$ 397,722,644	\$ 388,628,855
Occupational taxes	162,374,610	156,387,646	151,821,629	139,825,242	132,569,312
Other taxes	53,658,834	51,729,620	47,796,163	49,482,553	46,500,119
Grants from local agencies and donors	12,003,218	10,059,989	9,339,816	8,435,955	9,881,427
State sources					
SEEK program	256,709,740	269,121,859	274,943,838	277,043,057	270,658,773
Other state resources	344,927,246	240,938,705	237,803,654	229,841,535	203,844,812
Grants	91,177,791	94,954,691	95,633,844	91,141,503	94,128,602
Interest	3,284,271	2,347,241	1,677,255	1,389,755	1,663,952
Other sources	19,512,719	16,260,224	16,611,172	11,654,931	10,814,937
Total Revenues	1,400,559,826	1,274,506,428	1,251,993,303	1,206,537,175	1,158,690,789
Expenditures					
Instruction	754,517,489	659,163,029	651,704,411	626,202,625	599,752,771
Student support services	66,023,129	59,507,080	56,468,739	53,898,592	50,904,421
Instructional staff support services	155,224,231	137,792,548	133,813,433	136,595,787	125,814,940
District administrative support services	5,881,645	5,205,114	4,621,076	4,074,121	3,643,083
School administrative support services	98,562,871	87,953,654	86,072,917	86,706,811	85,727,500
Business support services	49,830,447	43,508,006	41,900,407	40,124,691	42,730,714
Community Services	10,176,026	9,673,052	9,705,648	9,785,799	9,605,723
Transportation	89,313,077	80,102,175	76,843,087	80,815,562	85,953,279

Continued



Board of Education of Jefferson County, Kentucky

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Activities--Continued

Ten Years' Trend Data

	2018	2017	2016	2015	2014
Expenditures--Continued					
Plant operations and maintenance	\$ 118,046,299	\$ 108,680,821	\$ 109,856,870	\$ 107,834,439	\$ 103,957,976
Other instructional support services	60,065	32,859	31,660	27,404	10,000
Building renovations	52,752,999	49,013,775	54,066,235	47,130,013	48,640,389
Other	2,606,701	2,771,607	3,276,200	3,475,119	3,358,550
Debt service					
Principal	34,001,290	31,116,591	30,255,122	29,914,485	34,623,248
Interest	16,696,446	16,323,732	16,461,930	16,034,197	15,265,077
Total Expenditures	1,453,692,715	1,290,844,043	1,275,077,735	1,242,619,645	1,209,987,671
Other Financing Sources (Uses)					
Bond proceeds net of discounts and refunding issues		37,776,399	57,926,144	18,645,850	78,820,133
Transfers in	43,815,290	55,738,987	41,506,086	53,480,763	77,555,249
Transfers out	(46,869,317)	(58,838,473)	(44,605,402)	(56,597,403)	(80,574,553)
Total Other Financing Sources (Uses)	(3,054,027)	34,676,913	54,826,828	15,529,210	75,800,829
Net Change in Fund Balances	(56,186,916)	18,339,298	31,742,396	(20,553,260)	24,503,947
Fund Balances, Beginning of Year	266,852,627	248,513,329	216,770,933	237,324,193	212,820,246
Fund Balances, End of Year	<u>\$ 210,665,711</u>	<u>\$ 266,852,627</u>	<u>\$ 248,513,329</u>	<u>\$ 216,770,933</u>	<u>\$ 237,324,193</u>
Ratio of total debt service expenditures to total noncapital expenditures	0.040	0.039	0.041	0.040	0.044

Continued



Board of Education of Jefferson County, Kentucky

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Activities--Continued

Ten Years' Trend Data

	2013	2012	2011	2010	2009
Revenues					
Local sources					
Property taxes	\$ 380,134,468	\$ 365,737,213	\$ 358,237,321	\$ 343,812,796	\$ 328,495,070
Occupational taxes	128,882,355	120,452,400	116,762,420	110,682,462	113,318,876
Other taxes	54,640,894	34,973,193	47,887,915	43,319,554	34,987,134
Grants from local agencies and donors	11,197,615	10,762,323	9,354,941	11,012,824	
State sources					
SEEK program	272,230,951	273,991,724	252,901,298	241,750,526	269,763,902
Other state resources	201,420,560	190,730,918	188,017,981	185,788,804	182,257,783
Grants	119,079,889	139,633,926	155,417,623	134,141,879	110,408,995
Interest	978,205	1,914,029	1,557,548	2,427,240	4,282,113
Other sources	11,046,052	12,903,594	10,154,529	9,564,573	8,542,154
Total Revenues	1,179,610,989	1,151,099,320	1,140,291,576	1,082,500,658	1,052,056,027
Expenditures					
Instruction	588,571,941	592,126,990	576,492,674	560,927,578	537,594,690
Student support services	51,190,099	54,328,820	52,611,443	51,321,439	47,333,619
Instructional staff support services	124,783,834	122,772,326	112,615,684	99,322,822	89,346,483
District administrative support services	3,097,758	3,409,083	4,546,755	4,227,127	4,950,109
School administrative support services	85,986,396	85,432,988	79,446,246	77,604,813	74,491,055
Business support services	42,920,067	43,684,780	37,497,739	37,661,780	37,218,693
Community Services	9,747,355	9,809,151	9,483,899	9,174,771	8,459,509
Transportation	79,557,078	87,314,648	77,350,835	68,806,202	67,270,903

Continued



Board of Education of Jefferson County, Kentucky

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Activities--Continued

Ten Years' Trend Data

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures--Continued					
Plant operations and maintenance	\$ 105,710,395	108,826,313	101,796,786	94,181,196	99,720,515
Other instructional support services	54,928	335,179	272,702	275,380	258,204
Capital outlay	60,142,086	63,027,554	47,050,306	39,087,629	36,512,883
Other	3,754,979	3,899,135	4,164,745	4,373,144	3,176,426
Debt service					
Principal	34,170,699	27,060,652	25,155,984	26,651,664	24,384,579
Interest	16,023,720	17,058,154	15,655,119	17,281,673	18,853,867
Total Expenditures	1,205,711,335	1,219,085,773	1,144,140,917	1,090,897,218	1,049,571,535
Other Financing Sources (Uses)					
Proceeds from sale of property					
Bond proceeds net of discounts and refunding issues	27,581,217	13,383,020	57,327,491	531,824	14,911,718
Transfers in	112,371,790	64,712,448	134,838,548	109,483,200	51,622,374
Transfers out	(115,351,681)	(67,758,836)	(137,838,609)	(112,559,785)	(54,791,950)
Total Other Financing Sources (Uses)	24,601,326	10,336,632	54,327,430	(2,544,761)	11,742,142
Net Change in Fund Balances	(1,499,020)	(57,649,821)	50,478,089	(10,941,321)	14,226,634
Fund Balances, Beginning of Year	214,319,266	271,969,087	221,490,998	232,432,319	218,205,685
Fund Balances, End of Year	\$ 212,820,246	\$ 214,319,266	\$ 271,969,087	\$ 221,490,998	\$ 232,432,319
Ratio of total debt service expenditures to total noncapital expenditures	0.044	0.042	0.040	0.043	0.043



Board of Education of Jefferson County, Kentucky

General Government Expenses by Function¹

Ten Years' Trend Data

	Instruction	Student Support Services	Instructional Staff Support Services ³	District Administrative Support Services	School Administrative Support Services	Business Support Services ²	Community Services ²	Transportation	Plant Operations and Maintenance
2018	\$ 848,894,722	\$ 66,627,124	\$ 191,939,436	\$ 8,792,408	\$ 108,309,775	\$ 70,521,907	\$ 26,377,760	\$ 158,063,796	\$ 118,322,852
2017	781,439,409	63,459,349	241,610,652	8,409,278	107,624,194	89,888,820	33,835,506	131,587,727	109,198,091
2016	742,294,075	58,812,027	187,114,423	7,872,803	99,473,707	81,828,482	25,466,326	89,762,735	110,347,315
2015	729,319,975	60,064,328	133,254,466	7,711,286	94,277,648	33,236,652	16,012,870	87,973,527	108,222,195
2014	633,177,394	50,729,048	118,955,171	6,972,822	84,150,967	38,844,491	9,134,416	84,374,237	103,975,188
2013	625,366,756	51,229,772	126,848,770	6,527,172	86,610,539	43,593,985	11,083,387	85,671,454	105,742,034
2012	623,418,868	54,160,536	116,883,482	6,710,803	83,704,696	41,172,767	8,791,352	84,517,760	108,900,724
2011	601,363,634	52,377,988	107,964,725	7,442,377	78,484,265	35,599,686	9,727,125	77,970,038	101,928,275
2010	586,940,824	51,213,194	97,416,936	6,712,202	76,618,966	37,261,343	9,332,818	69,694,236	94,416,023
2009	\$ 567,062,406	\$ 47,260,140	\$ 88,301,522	\$ 7,373,701	\$ 74,120,767	\$ 36,802,256	\$ 8,615,638	\$ 70,651,675	\$ 99,745,065

	Other	Other	Interest	School Food	Adult Education ²	Enterprise	Tuition-based	Daycare	Total
2018		\$ 81,682	\$ 17,204,330	\$ 76,915,589	\$ 168,158	\$ 157,129	\$ 1,097,840	\$ 237,015	\$ 1,693,711,523
2017		315,775	16,139,220	90,450,953	193,589	142,516	1,317,912	652,491	1,676,265,482
2016		380,782	16,116,139	68,262,191	260,184	156,576	885,771	428,715	1,489,462,251
2015		501,023	16,224,178	62,724,047	568,257	97,329	785,927	480,892	1,351,474,600
2014	\$ 10,000	553,066	14,825,786	57,940,891	479,264	97,470	721,285	712,447	1,205,653,943
2013	54,928	805,323	15,146,527	57,814,952	457,769	91,921	898,025	703,320	1,218,646,634
2012	334,291	199,367	16,778,960	53,687,809	652,770	705,302	1,027,844	1,314,653	1,202,961,984
2011	272,702		15,314,561	48,743,018	886,965	\$ 227,840	1,076,500	1,354,524	1,140,734,223
2010	252,475	4,315,433	16,644,665	46,664,227	818,928		1,747,773	985,099	1,101,035,142
2009	\$ 258,204	\$ 3,175,106	\$ 17,747,995	\$ 48,578,438	\$ 602,040		\$ 1,897,467	\$ 935,317	\$ 1,073,127,737

¹ General government includes all governmental and enterprise funds.

² Due to functional data reclassifications, Community Services and Adult Education expenses are now discreetly presented. Also, Central Office Support Services were reclassified to either Business Support Services or Instructional Staff Support



Board of Education of Jefferson County, Kentucky

General Government Revenues by Type¹

Ten Years' Trend Data

	<u>Charges for Service</u>	<u>Grants & Contributions</u>	<u>Property Taxes</u>	<u>Occupational Taxes</u>	<u>Other Taxes</u>
2018	\$ 4,651,662	\$ 178,325,254	\$ 456,911,397	\$ 162,374,610	\$ 53,658,834
2017	5,329,447	177,468,409	432,706,453	156,387,646	51,729,620
2016	5,808,638	175,828,013	416,365,932	151,821,629	47,496,163
2015	7,706,775	161,465,197	397,722,644	139,825,242	49,482,553
2014	10,202,466	157,264,562	388,628,855	132,569,312	46,500,119
2013	12,396,474	183,550,725	380,134,468	128,882,355	54,640,894
2012	14,593,829	203,399,828	365,737,213	120,452,400	34,973,193
2011	14,835,226	213,265,367	358,237,321	116,762,420	47,887,915
2010	15,167,030	195,138,555	343,812,796	110,682,462	43,319,554
2009	\$ 16,350,320	\$ 158,025,412	\$ 328,495,070	\$ 113,318,876	\$ 34,987,134

	<u>SEEK State Revenues</u>	<u>Other State Revenues</u>	<u>Interest Income</u>	<u>Other Revenues</u>	<u>Total</u>
2018	\$ 256,709,740	\$ 512,980,545	\$ 3,388,278	\$ 16,463,425	\$ 1,645,463,745
2017	269,121,859	583,777,579	2,414,058	19,884,479	1,698,819,550
2016	274,943,838	383,488,212	1,706,153	15,948,120	1,473,406,698
2015	277,043,057	311,578,993	1,389,755	10,240,231	1,356,454,447
2014	270,658,773	196,206,023	1,683,254	10,032,096	1,213,745,460
2013	272,230,951	193,512,525	999,499	7,069,045	1,233,416,936
2012	273,991,724	183,731,465	1,949,869	3,951,744	1,202,781,265
2011	252,901,298	180,801,232	1,587,803	1,081,261	1,187,359,843
2010	241,750,526	175,984,586	2,449,318	5,038,899	1,133,343,726
2009	\$ 269,763,902	\$ 173,009,074	\$ 4,314,498	\$ 4,140,446	\$ 1,102,404,732

Property Tax Rates

Ten Years' Trend Data

	<u>Real Estate¹</u>	<u>Tangible Property¹</u>	<u>Motor Vehicle¹</u>	<u>Weighted Average Tax Rates¹</u>
2018	70.4	70.4	58.5	70.0
2017	70.8	71.0	58.5	69.9
2016	71.0	71.0	58.5	70.1
2015	71.0	71.0	58.5	69.2
2014	71.0	71.0	58.5	69.2
2013	70.0	70.0	58.5	69.2
2012	67.7	67.7	58.5	67.1
2011	67.6	67.6	58.5	67.0
2010	64.6	64.6	58.5	64.2
2009	62.5	63.1	58.5	62.3

Real estate & personal property taxes are the District's largest revenue source. Each year's tax rates are approved in September by vote of the elected Board of Education. Statutorily, rates may not be raised to an extent that total revenues are increased by 4% or the tax is subject to referendum.



Board of Education of Jefferson County, Kentucky

Real Estate and Personal Property Tax Revenues

Ten Years' Trend Data

	Amount Levied	Collections as of the End of the Levy Year	Levy Year Percent	Omitted and Delinquent Tax Revenue	Total Tax Revenue Received During Fiscal Year	Total Percent
2018	\$ 495,210,128	\$ 468,396,336	94.6%	\$ 10,892,385	\$ 479,288,721	96.8%
2017	464,203,005	443,500,395	95.5%	9,968,631	453,469,025	97.7%
2016	447,424,580	425,810,369	95.2%	9,753,569	435,563,938	97.3%
2015	427,603,120	406,858,768	95.1%	11,523,771	418,382,539	97.8%
2014	417,767,614	396,380,679	94.9%	11,872,790	408,253,469	97.7%
2013	407,196,257	394,226,682	96.8%	14,330,061	408,556,743	100.3%
2012	388,891,762	365,959,755	94.1%	11,167,813	377,127,568	97.0%
2011	388,686,000	365,659,038	94.1%	16,066,413	381,725,451	98.2%
2010	372,618,205	350,848,363	94.2%	14,214,131	365,062,494	98.0%
2009	\$ 353,265,558	\$ 334,162,837	94.6%	\$ 6,326,961	\$ 340,489,798	96.4%

Tax collections consist of property taxes and franchise taxes. These revenues are split between General Fund and Building Fund in the Financial Section, where franchise taxes are included with Other Taxes.

Omitted and delinquent taxes are remitted to the District when collected by our tax collection agencies. These collections are not identified by year, occasionally resulting in the percent of collections exceeding 100%.



Board of Education of Jefferson County, Kentucky

Property Tax Assessments

Ten Years' Trend Data

	Real Estate	Tangible Personal	Franchise	Motor Vehicle	Distilled Spirits	Total Assessed Value	Estimated Actual Value	Weighted Average Tax Rate Applied to Assessments (cents per \$100 assessment)
2018	\$ 61,046,926,653	\$ 5,307,565,850	\$ 2,568,249,146	\$ 5,272,908,093	\$ 270,677,922	\$ 74,466,327,664	\$ 74,466,327,664	69.56
2017	57,871,202,283	4,980,355,366	2,296,268,627	5,109,701,374	291,093,494	70,548,621,144	70,548,621,144	69.93
2016	54,932,805,754	5,042,138,245	2,250,950,826	4,907,345,575	274,684,465	67,407,924,865	67,407,924,865	70.09
2015	52,476,956,219	4,711,452,019	2,096,989,899	4,729,846,285	280,681,766	64,295,926,188	64,295,926,188	70.08
2014	51,682,382,456	4,879,662,128	2,003,135,948	4,564,604,680	268,980,462	63,398,765,674	63,398,765,674	70.10
2013	51,164,832,697	4,627,273,268	2,089,543,036	4,408,198,290	289,244,918	62,579,092,209	62,579,092,209	69.19
2012	50,799,225,634	4,409,010,961	2,002,889,098	4,152,621,420	232,266,030	61,596,013,143	61,596,013,143	67.08
2011	51,091,571,417	4,258,337,447	1,985,651,205	3,983,352,419	162,368,932	61,481,281,420	61,481,281,420	67.01
2010	51,175,707,183	4,617,662,540	1,760,046,962	3,820,374,057	127,420,076	61,501,210,818	61,501,210,818	64.22
2009	\$ 50,142,467,458	\$ 4,519,550,565	\$ 1,676,893,920	\$ 4,302,728,879	\$ 127,420,076	\$ 60,769,060,898	\$ 60,769,060,898	62.28

Source: Jefferson County Property Valuation Administration



Board of Education of Jefferson County, Kentucky

Property Taxes, As Assessed

Ten Years' Trend Data

	<u>Real Estate</u>	<u>Tangible Property</u>	<u>Franchise</u>	<u>Motor Vehicle</u>	<u>Distilled Spirits</u>	<u>Total Property Taxes as Assessed</u>	<u>Estimated Actual Tax Value</u>
2018	\$ 432,212,241	\$ 37,683,718	\$ 18,234,569	\$ 30,846,512	\$ 1,921,813	\$ 520,898,853	\$ 520,898,853
2017	409,728,112	35,360,523	16,303,507	29,891,753	2,066,764	493,350,659	493,350,659
2016	390,022,921	35,799,182	15,981,751	28,707,972	1,950,260	472,462,085	472,462,085
2015	367,338,694	32,980,164	14,678,929	27,669,601	1,964,772	444,632,160	444,632,160
2014	361,776,677	34,157,635	14,021,952	26,702,937	1,882,863	438,542,064	438,542,064
2013	358,153,829	32,390,913	14,626,801	25,787,960	2,024,714	432,984,217	432,984,217
2012	343,910,758	29,849,004	13,559,559	24,292,835	1,572,441	413,184,597	413,184,597
2011	345,379,023	28,786,361	13,423,002	23,302,612	1,097,614	411,988,612	411,988,612
2010	330,595,068	29,830,100	11,369,903	22,349,188	823,134	394,967,394	394,967,394
2009	\$ 313,390,422	\$ 28,518,364	\$ 10,581,201	\$ 25,170,964	\$ 804,021	\$ 378,464,972	\$ 378,464,972

Source: Assessments from Jefferson County Property Valuation Administration multiplied by tax rates



Board of Education of Jefferson County, Kentucky

Principal Real Estate Taxpayers

For the fiscal year ended June 30, 2018

Company	Percent of		2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
	2017-18 School Tax Paid	Total Revenues									
Louisville Gas & Electric	\$ 10,556,090	2.2%	\$ 9,852,494	\$ 8,576,005	\$ 7,425,245	**	\$ 13,319,323	**	\$ 5,991,821	\$ 4,769,000	\$ 4,608,007
AT&T	4,040,910	0.8%	\$ 1,018,524	1,317,004	1,379,343	**	**	2,352,538	2,352,538	**	**
Insight	2,583,952	0.5%	**	**	**	**	**	**	**	**	**
Humana	1,308,112	0.3%	1,305,761	1,280,785	931,639	779,381	920,799	655,877	979,751	1,187,779	924,888
BT Property	1,276,264	0.3%	910,013	889,611	897,653	1,191,344	817,270	775,222	**	590,411	580,964
United Parcel Service	1,095,192	0.2%	1,770,143	1,169,732	831,367	\$ 897,930	1,621,721	\$1,228,844	823,561	595,519	780,917
Galt House	947,034	0.2%	973,518	872,936	758,816	671,005	423,544	**	**	**	**
DB Mash	844,935	0.2%	832,741	**	**	**	**	**	**	**	**
Brown Foreman	828,514	0.2%	754,799	**	**	**	**	**	**	**	**
Bullitt, Thomas W.	628,193	0.1%	574,336	660,504	**	681,968	386,139	**	**	**	**

** For years marked, taxpayer was not one of the principal taxpayers to the Board.

Percent of total revenues is based on percent of total real estate and other property taxes as follows:

Property taxes	\$	432,706,453
Other taxes		<u>51,729,620</u>
	\$	484,436,073

Source: Jefferson County Sheriff



Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates

For Tax Year 2018

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹		Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Jefferson County Board of Education - total direct rate of largest own source revenue (cents per \$100 property assessment)	70.40	70.40	70.40		70.40	70.40	70.40
Metro Louisville Government	12.35	16.60	16.60	Glenview	11.40	0.00	0.00
Anchorage	36.60	36.60	36.60	Glenview Hills	11.00	0.00	0.00
Audubon Park	28.20	0.00	0.00	Glenview Manor	13.45	0.00	0.00
Bancroft	35.60	0.00	0.00	Goose Creek	13.70	0.00	0.00
Barbourmeade	20.90	0.00	0.00	Graymoor-Devondale	20.00	0.00	0.00
Beechwood Village	13.00	0.00	0.00	Green Spring	16.50	17.80	0.00
Bellemeade	7.50	0.00	0.00	Heritage Creek	19.80	0.00	0.00
Bellewood	19.00	0.00	0.00	Hickory Hill	24.70	0.00	0.00
Blue Ridge Manor	20.00	0.00	0.00	Hills and Dales	20.70	0.00	0.00
Briarwood	29.00	0.00	0.00	Hollow Creek	34.00	0.00	0.00
Broeck Pointe	21.50	0.00	0.00	Houston Acres	17.70	0.00	0.00
Brownsboro Farm	23.75	0.00	0.00	Hurstbourne	16.90	0.00	0.00
Brownsboro Village	20.60	0.00	0.00	Hurstbourne Acres	14.00	0.00	0.00
Cambridge	18.40	0.00	0.00	Indian Hills	20.00	0.00	0.00
Coldstream	12.00	0.00	0.00	Jeffersontown	14.00	0.00	0.00
Creekside	22.00	0.00	0.00	Kingsley	33.00	0.00	0.00
Crossgate	22.50	0.00	0.00	Langdon Place	28.00	0.00	0.00
Douglas Hills	13.30	0.00	0.00	Lincolnshire	22.00	0.00	0.00
Druid Hills	10.20	0.00	0.00	Lyndon	11.00	0.00	0.00
Fincastle	20.00	0.00	0.00	Lynnview	29.70	11.90	11.90
Forest Hills	13.20	0.00	0.00	Manor Creek	30.00	0.00	0.00

¹ Cents per \$100 assessment

Continued



Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates--Continued

For Tax Year 2018

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹		Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Maryhill Estates	14.00	0.00	0.00	Saint Regis Park	11.80	0.00	0.00
Meadow Vale	12.50	0.00	0.00	Seneca Gardens	21.31	0.00	0.00
Meadowbrook Farm	7.30	0.00	0.00	Shively	33.90	36.30	36.30
Meadowview Estates	11.30	0.00	0.00	Spring Mill	20.00	0.00	0.00
Middletown	13.50	0.00	0.00	Spring Valley	16.92	0.00	0.00
Mockingbird Valley	15.25	14.66	0.00	Strathmoor Manor	32.00	0.00	0.00
Moorland	23.00	0.00	0.00	Strathmoor Village	25.00	0.00	0.00
Murray Hill	17.80	0.00	0.00	Sycamore	0.00	0.00	0.00
Norbourne Estates	16.80	0.00	0.00	Ten Broeck	8.70	0.00	0.00
Nothfield	15.40	0.00	0.00	Thornhill	12.00	0.00	0.00
Norwood	18.80	0.00	0.00	Watterson Park	8.30	6.50	7.50
Old Brownsboro Place	34.00	0.00	0.00	Wellington	19.30	0.00	0.00
Parkway Village	16.00	0.00	0.00	West Buechel	20.00	0.00	0.00
Plantation	28.70	0.00	0.00	Westwood	14.30	0.00	0.00
Poplar Hills	0.00	0.00	0.00	Wildwood	16.10	0.00	0.00
Prospect	21.25	0.00	0.00	Windy Hills	17.00	0.00	0.00
Richlawn	13.00	0.00	0.00	Woodland Hills	12.00	0.00	0.00
Riverwood	17.35	0.00	0.00	Woodlawn Park	16.90	0.00	0.00
Rolling Fields	11.20	0.00	0.00	Worthington Hills	20.47	0.00	0.00
Rolling Hills	18.05	0.00	0.00	Anchorage Ambulance District	8.50	8.50	8.50
Saint Matthews	20.00	0.00	0.00	Anchorage Fire District	10.00	10.00	10.00

¹ Cents per \$100 assessment

Continued



Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates--Continued

For Tax Year 2018

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Buechel Fire District	10.00	10.00	10.00
Camp Taylor Fire District	10.00	10.00	10.00
Eastwood Fire District	10.00	10.00	10.00
Fairdale Fire District	10.00	10.00	10.00
Fern Creek Fire District	10.00	10.00	10.00
Harrods Creek Fire District	10.00	10.00	10.00
Highview Fire District	10.00	10.00	10.00
Jeffersontown Fire District	10.00	10.00	10.00
Lake Dreamland Fire District	10.00	10.00	10.00
Louisville Downtown Management District	7.45	0.00	0.00
Lyndon Fire District	10.00	10.00	10.00
Lynnview Garbage Fund	10.00	10.00	10.00
McMahan Fire District # 14	10.00	10.00	10.00
Middletown Fire District	10.00	10.00	10.00
Okolona Fire District	10.00	10.00	10.00
Pleasure Ridge Park Fire District	10.00	10.00	10.00
St Matthews Fire District	15.00	15.00	15.00
Urban Services District/Louisville	35.38	56.60	0.00
Worthington Fire District	10.00	10.00	10.00

¹ Cents per \$100 assessment



Board of Education of Jefferson County, Kentucky

Principal Employers by Number of Employees

December 31, 2017 and Nine Comparison Years

	<u>2017</u>	<u>Percent of Jefferson County's Employees</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
United Parcel Service	22,354	6.1%	22,080	22,189	20,931
Jefferson County Public Schools	14,553	4.0%	14,739	14,719	14,676
Ford Motor Co.	12,600	3.5%	12,990	9,028	8,987
Humana Inc.	12,500	3.4%	12,500	12,900	12,371
Norton Healthcare Inc.	11,944	3.3%	11,389	10,739	10,245
University of Louisville	7,065	1.9%	6,375	6,264	6,161
Baptist Healthcare System	6,786	1.9%	4,995	5,116	5,339
Amazon.com	6,500	1.8%	6,500		
Louisville Metro Government	6,192	1.7%	6,095	5,584	5,654
KentuckyOne Health Inc	6,000	1.6%	6,000	6,000	5,602
GE Appliances	6,000	1.6%	6,000	6,000	6,230
The Kroger Co	3,079	0.8%	4,626	4,892	5,417
Catholic Archdiocese of Louisville	2,660	0.7%	2,263	2,237	2,260
Manna Inc.	2,600	0.7%	3,120	2,400	2,250
Charter Communications	2,400	0.7%			
Kindred Healthcare Inc.	2,216	0.6%	2,381	2,244	2,249
LG&E and KU Energy LLC	2,201	0.6%	2,211	1,993	2,178
Papa John's International Inc.	2,088	0.6%	2,088	1,279	1,503
ResCare Inc.	1,948	0.5%	2,435		
U.S. Postal Service	1,896	0.5%	2,401	2,546	2,509

Source: Business First magazine



Board of Education of Jefferson County, Kentucky

Principal Employers by Number of Employees-Continued

December 31, 2017 and Nine Comparison Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
United Parcel Service	20,047	20,117	20,288	20,125	20,513
Jefferson County Public Schools	14,269	14,366	13,840	13,964	13,326
Ford Motor Co.	8,347	8,696	3,847	5,397	5,624
Humana Inc.	11,235	11,000	10,017	9,400	10,096
Norton Healthcare Inc.	9,666	9,658	9,421	8,698	8,142
University of Louisville	6,187	6,273	5,746	6,352	6,135
Baptist Healthcare System	4,854	4,219	3,752	3,889	3,305
Amazon.com					
Louisville Metro Government	5,651	5,698	5,706	5,765	5,811
KentuckyOne Health inc	8,993	5,898	5,819	5,782	6,500
GE Appliances	6,000	5,000	3,988	4,100	4,000
The Kroger Co	5,152		5,313	5,692	5,263
Catholic Archdiocese of Louisville	2,345	2,352	2,416	2,142	2,343
Manna Inc.	1,550				
Charter Communications					
Kindred Healthcare Inc.	2,130	2,252	2,297	2,224	2,153
LG&E and KU Energy LLC	2,131	2,066	1,976	1,976	1,902
Papa John's International Inc.	1,143				
ResCare Inc.					
U.S. Postal Service	2,653	1,991	2,626	2,651	

Board of Education of Jefferson County, Kentucky

Occupational Tax Revenues

Ten Years' Trend Data

2018	\$	162,374,610
2017		156,387,646
2016		151,821,629
2015		139,825,242
2014		132,569,312
2013		128,882,355
2012		120,452,400
2011		116,762,420
2010		110,682,462
2009	\$	113,318,876

Occupational tax rates have been 0.75%
of salaries & wages of Jefferson County



Jefferson County Board of Education

Total Bonded Debt by Responsible Party

Presented for Life of Bonds

Jefferson County Board of Education			
Year Ending June 30, 2018	Principal	Interest	Total Repayments
2019	\$ 25,005,961	\$ 10,626,984	\$ 35,632,945
2020	21,566,451	9,628,525	31,194,976
2021	22,296,685	8,903,005	31,199,690
2022	24,906,361	8,151,726	33,058,087
2023	18,233,821	7,270,396	25,504,217
2024-2028	96,988,403	26,062,202	123,050,605
2029-2033	68,115,171	10,307,439	78,422,610
2034-2037	19,411,027	859,073	27,483,000
	<u>\$ 296,523,880</u>	<u>\$ 81,809,350</u>	<u>\$ 378,333,230</u>

Metro Louisville			
Year Ending June 30, 2018	Principal	Interest	Total Repayments
2019	\$ 89,728	\$ 13,266	\$ 102,994
2020	91,523	11,472	102,995
2021	93,581	9,413	102,994
2022	95,734	7,260	102,994
2023	97,935	5,058	102,993
2024-2028	100,385	2,610	102,995
2029-2033	0	0	0
2034-2037	0	0	0
	<u>\$ 568,886</u>	<u>\$ 49,079</u>	<u>\$ 617,965</u>

Kentucky School Facilities Construction Commission			
Year Ending June 30, 2018	Principal	Interest	Total Repayments
2019	\$ 8,129,311	\$ 2,624,187	\$ 10,753,498
2020	6,887,026	2,393,344	9,280,370
2021	6,689,734	2,212,322	8,902,056
2022	5,852,905	2,035,998	7,888,903
2023	6,013,244	1,875,195	7,888,439
2024-2028	23,826,212	6,787,807	30,614,019
2029-2033	17,749,829	3,235,532	20,985,361
2034-2037	8,028,973	494,072	8,523,045
	<u>\$ 83,177,234</u>	<u>\$ 21,658,457</u>	<u>\$ 104,835,691</u>

Total Principal payments	\$ 380,270,000
Total Interest payments	<u>103,516,886</u>
Total Repayments	<u>\$ 483,786,886</u>

These schedules present the total debt service payable over the life of each bond issue. The Kentucky School Facilities Construction Commission and the Metro Louisville government have pledged to pay the debt service on certain issues as documented by a Memorandum of Agreement or a legislative pronouncement; however, all debt was issued in the Board's name and the full liability is reflected in the Financial Section of this CAFR.



Board of Education of Jefferson County, Kentucky

Detail of Bonds by Responsible Party

Presented for Life of Bonds

<u>Bond Issue</u>	<u>Jefferson County Board of Education</u>	<u>School Food Services Enterprise Fund</u>	<u>Kentucky School Facilities Construction Commission</u>	<u>Metro Louisville</u>	<u>Total</u>
2002A	\$ 15,340,000				\$ 15,340,000
2008B QZAB	5,200,000				5,200,000
2009A	4,395,000				4,395,000
2009C	3,280,698	\$ 1,113,962	\$ 1,099,302		5,493,962
2010A	6,290,000				6,290,000
2010B	10,840,000				10,840,000
2010C QSCB	27,483,000				27,483,000
2011A QSCB	29,886,000				29,886,000
2012A			10,360,000		10,360,000
2012B	1,598,235		10,257,879	\$ 568,886	12,425,000
2012C	12,935,000				12,935,000
2012D	26,460,000				26,460,000
2013A	20,960,519		189,481		21,150,000
2013B	23,080,537		8,174,463		31,255,000
2013C	30,970,000				30,970,000
2014A	33,703,029		7,826,971		41,530,000
2014B	7,261,018		3,923,982		11,185,000
2015A			14,855,000		14,855,000
2015B	34,365,000				34,365,000
2015C	14,730,000				14,730,000
2016A	19,044,844		19,925,156		38,970,000
2016B			6,565,000		6,565,000
2017A	31,270,000				31,270,000
	<u>\$ 359,092,880</u>	<u>\$ 1,113,962</u>	<u>\$ 83,177,234</u>	<u>\$ 568,886</u>	<u>\$ 443,952,962</u>



Board of Education of Jefferson County, Kentucky

Overlapping/Direct Debt and Bond Analysis Ratios

As of June 30, 2018

Governmental Unit	Gross Debt Outstanding Including Business Type	Percentage Applicable to Jefferson County Taxpayers	Jefferson County Taxpayers Share of Debt
Direct Debt:			
Jefferson County Public Schools	\$ 443,952,962	99.7%	\$ 442,839,000
Overlapping Debt ¹ :			
Louisville/Jefferson County Metro Government			
Revenue Bonds	34,545,000	100%	34,545,000
General Obligation Debt	509,601,000	100%	509,601,000
	544,146,000		544,146,000
Total Overlapping and Direct Debt	\$ 988,098,962		\$ 986,985,000
Total Overlapping and Direct Debt Per Capita	0.0313	Total Overlapping and Direct to 2014 Total Personal Income	\$ 0.0302
Direct Debt Per Capita		Total Direct Debt to 2014 Total Personal Income	\$ 0.0135
Net Bonded Debt to Assessed Value	0.0140		
Debt Service Expenditures to Total Governmental Expenditures	0.0314		
Governmental Revenues Coverage (Divided by Debt Service Expenditures)	31.5389		

¹ Percent of overlapping debt applicable to Jefferson County taxpayers calculated as 100% due to coterminus boundaries



Board of Education of Jefferson County, Kentucky

Ratios of Debt Outstanding

Ten Year Trend

<u>Fiscal Year</u>	<u>Jefferson Co. Board of Education Government</u>	<u>Jefferson Co. Board of Education Proprietary</u>	<u>Kentucky School Facilities Construction Commission</u>	<u>School Based Neighborhood Places funded by Metro Louisville</u>	<u>Total</u>	<u>Debt Service Coverage¹</u>	<u>Percent of Personal Income</u>	<u>Debt Per Capita</u>
2018	\$ 359,092,880	\$ 1,113,962	\$ 83,177,234	\$ 568,886	\$ 443,952,962	1.17	1.36%	\$ 576
2017	380,821,200	2,237,862	91,111,285	753,653	474,924,000	1.19	1.45%	621
2016	371,614,934	3,339,736	97,532,246	932,084	473,419,000	1.17	1.45%	623
2015	358,747,835	4,378,081	83,443,649	1,104,435	447,674,000	1.14	1.37%	589
2014	383,549,548	5,383,481	73,011,023	1,270,948	463,215,000	1.02	1.42%	609
2013	343,630,627	6,360,349	69,473,540	1,430,484	420,895,000	1.69	1.35%	558
2012	336,440,411	7,308,117	73,618,593	1,587,879	418,955,000	1.11	1.33%	565
2011	357,242,036	8,229,578	62,180,845	1,601,188	429,253,647	2.36	1.37%	595
2010	318,244,418	9,130,889	66,850,414	1,730,221	395,955,942	1.70	1.35%	549
2009	\$ 337,091,270	\$ 10,006,545	\$ 73,310,814	\$ 1,854,608	\$ 422,263,237	0.97	1.33%	\$ 589

¹ Statutorily, revenues in two funds are used for debt service, with any remainder paid by General Fund. Coverage ratio is the total revenues

Jefferson County Demographics

Updated as of 2017

Population by Selected Age Groups	Jefferson County	
	Number	Percentage
Under 16	152,747	19.8%
16-24	85,481	11.1%
25-44	210,052	27.2%
45-64	201,596	26.1%
65-84	105,290	13.7%
85 and older	15,992	2.1%
Total Population	771,158	100.0%

Source: US Department of Commerce, Bureau of the Census

Population by Race and Hispanic Origin	Jefferson County	
	Number	Percentage
Caucasian	557,877	72.3%
African-American	170,006	22.0%
Native American or Native Alaskan	1,562	0.2%
Asian	22,719	2.9%
Native Hawaiian / Pacific Islander	395	0.1%
Other / Multirace	18,599	2.4%
Hispanic Origin ¹	41,220	5.3%
Population Estimates²	812,378	105.3%

Source: US Department of Commerce, Bureau of the Census

¹ Hispanic is not a race category. A person may be Caucasian, African-American, etc. and be of Hispanic origin.

² The groupings in this chart allow for some individuals to be counted twice, such as the Hispanic Origin described in note 1. For this reason, totals are slightly different from the chart on the left.



Board of Education of Jefferson County, Kentucky

Economic Statistics

Ten Years' Trend Data

	<u>Total Personal Wages</u>	<u>Per Capita Income</u>	<u>Average Weekly Wage</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2018	N/A	N/A	\$ 1,004	376,784	17,464	4.4%
2017	N/A	N/A	988	363,746	16,621	4.4%
2016	N/A	N/A	1,013	352,193	18,173	4.9%
2015	N/A	N/A	1,017	356,765	20,345	5.4%
2014	\$ 32,703,660,516	\$ 42,996	994	341,120	25,216	6.9%
2013	31,289,198,380	41,305	882	342,729	33,777	9.0%
2012	31,583,466,439	42,049	895	338,276	33,035	8.9%
2011	31,241,331,000	41,828	891	340,457	39,111	10.3%
2010	29,247,199,000	39,407	866	326,802	38,833	10.6%
2009	29,834,474,000	41,345	846	326,820	37,330	10.3%

Source: US Department of Labor, Bureau of Labor Statistics



Board of Education of Jefferson County, Kentucky

Number of Employees by Functional Duties

June 30, 2018

<u>Function</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction	5,234	5,353	5,458	5,465	5,450
Home and Hospital Instruction	8	8	8	8	8
Other Instructional Programs	3,080	2,880	2,756	2,754	2,746
Student Support Services	543	528	506	520	512
Instructional Staff Support Services	1,220	1,133	1,148	1,167	1,202
District Administrative Support Services	29	29	28	25	22
School Administrative Support Services	1,041	1,025	1,022	1,015	1,030
Business Support Services	299	296	281	265	271
Plant Operations and Maintenance	1,101	1,099	1,082	1,099	1,113
Student Transportation	1,226	1,173	1,176	1,313	1,326
Food Service Operations	949	956	906	846	877
Day Care Operations	4	5	6	6	12
Community Service Operations	111	112	112	108	116
Architectural and Engineering Services	8	8	7	6	7
	<u>14,853</u>	<u>14,605</u>	<u>14,496</u>	<u>14,597</u>	<u>14,692</u>



Board of Education of Jefferson County, Kentucky

Enrollment by Level

Ten Years' Trend Data

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Kindergarten</u>	<u>E.C.E.</u>	<u>Preschool</u>	<u>Total Enrollment</u>
2018	37,428	20,717	28,757	6,294	2,316	3,386	98,898
2017	37,660	20,599	28,689	7,431	2,297	3,203	99,879
2016	37,740	20,703	28,603	7,480	2,305	3,864	100,695
2015	37,514	21,093	28,331	7,659	2,315	3,590	100,502
2014	37,242	21,413	27,840	7,828	2,352	4,020	100,695
2013	36,897	21,310	27,965	7,953	2,432	4,281	100,838
2012	36,540	21,039	27,980	7,608	2,443	4,810	100,420
2011	36,672	20,527	26,714	7,326	2,528	5,328	99,095
2010	36,824	20,318	27,423	7,201	2,735	4,462	98,963
2009	36,866	20,006	27,043	7,351	3,047	4,686	98,999

Reflects First Month Enrollment



Board of Education of Jefferson County, Kentucky

School Building Capacity Data

Ten Years' Trend Data

School Name	Square Footage	2017-18		2016-17		2015-16		2014-15		2013-14	
		Student Enrollment		Student Enrollment		Student Enrollment		Student Enrollment		Student Enrollment	
		Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month
Alex R. Kennedy Elementary (New 15-16)	45,627	350	335	450	316	450	277				
Atherton High	204,019	1490	1,471	1490	1,473	1,350	1,365	1,350	1,353	1,350	1,266
Atkinson Elementary	73,902	720	444	720	461	720	461	720	436	720	428
Auburndale Elementary	59,966	624	609	624	606	620	603	620	624	620	627
Audubon Traditional Elem.	51,227	628	618	628	622	612	621	612	616	612	618
Ballard High	278,137	2050	1,895	2050	1,943	2,050	1,958	2,050	1,978	2,050	2,003
Barret Traditional Middle	107,195	654	645	654	647	654	645	654	646	654	639
Bates Elementary	48,508	571	553	571	541	609	553	609	550	609	563
Blake Elementary	60,916	548	526	548	515	548	506	548	496	548	506
Bloom Elementary	61,676	535	549	535	548	535	532	535	521	535	535
Blue Lick Elementary	55,333	560	513	560	522	560	513	560	706	560	454
Bowen Elementary	63,960	752	712	752	726	752	727	752	706	752	722
Brandeis Elementary	55,400	594	561	594	578	570	599	570	586	570	599
Breckinridge Metropolitan High ¹	61,737	149	110	149	137	106	140	106	124	106	117
Breckinridge/Franklin Elementary	78,293	578	467	578	483	578	479	578	493	578	479
Brown School	157,340	720	720	720	701	720	700	720	692	720	739
Buechel Metropolitan High ¹	53,221							181	153	181	127
Butler Traditional High	210,238	1680	1,686	1680	1,688	1,650	1,680	1,650	1,695	1,650	1,693
Byck Elementary	72,698	640	489	640	532	624	568	624	579	624	621
Camp Taylor Elementary	58,936	568	441	568	447	598	449	598	482	598	470
Cane Run Elementary	60,107	536	412	536	437	574	424	574	406	574	400
Carrithers Middle	92,976	800	712	800	680	800	703	800	559	800	558
Carter Elementary	96,030	612	593	612	608	612	617	612	596	612	591

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2012-13		2011-12		2010-11		2009-10		2008-09	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Alex R. Kennedy Elementary	45,627										
Atherton High	194,044	1,350	1,269	1,250	1,269	1,250	1,171	1,250	1,159	1,250	1,136
Atkinson Elementary	67,912	720	418	720	385	755	407	755	413	755	476
Auburndale Elementary	52,820	620	624	620	621	640	609	640	559	640	543
Audubon Traditional Elem.	51,615	612	621	612	622	612	624	612	622	612	622
Ballard High	251,954	2,050	1,953	1,980	1,975	1,800	1,863	1,800	1,771	1,800	1,721
Barret Traditional Middle	107,695	654	638	654	641	654	641	654	642	654	635
Bates Elementary	48,374	609	563	609	542	605	548	605	547	605	554
Blake Elementary	57,416	548	472	548	427	548	461	548	472	548	512
Bloom Elementary	67,415	535	533	535	532	466	535	466	532	466	487
Blue Lick Elementary	45,356	560	481	560	491	560	489	560	498	560	542
Bowen Elementary	57,010	752	720	752	730	763	709	763	746	763	754
Brandeis Elementary	55,400	570	561	570	565	526	569	526	556	526	538
Breckinridge Metropolitan High ¹	63,612	122	106	122	122						
Breckinridge/Franklin Elementary	78,404	578	437	578	398	578	382	578	342	578	295
Brown School	249,716	718	729	605	726	605	679	605	635	605	627
Buechel Metropolitan High ¹	46,759	213	181	213	213						
Butler Traditional High	219,238	1,650	1,677	1,635	1,673	1,630	1,672	1,630	1,662	1,630	1,663
Byck Elementary	67,558	614	593	608	613	583	615	583	572	583	540
Camp Taylor Elementary	59,199	568	470	568	483	568	488	568	469	568	486
Cane Run Elementary	59,840	574	427	574	464	574	487	574	458	574	440
Carrithers Middle	92,976	800	598	800	546	800	549	800	508	800	499
Carter Elementary	164,775	612	599	612	597	596	599	596	592	596	581

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2017-18		2016-17		2015-16		2014-15		2013-14	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Central High	233,564	1,400	1,183	1,400	1,110	1,400	1,120	1,400	1,107	1,400	1,123
Chancey Elementary	76,000	750	653	750	665	765	730	765	710	765	711
Chenoweth Elementary	55,842	640	556	640	543	640	513	640	514	640	520
Churchill Park School ¹	82,200	80	151	80	136	89	138	89	159	89	161
Cochran Elementary	56,645	514	408	514	368	514	267	514	347	514	378
Cochrane Elementary	61,325	520	456	520	430	520	438	520	373	520	460
Coleridge Taylor Elementary	73,437	750	615	750	649	750	619	750	644	750	641
Conway Middle	101,137	950	816	950	833	950	840	950	889	950	925
Coral Ridge Elementary	53,751	562	553	562	527	562	524	562	502	562	489
Crosby Middle	98,894	1,290	1,131	1,290	1,296	1,405	1,315	1,405	1,417	1,405	1,440
Crums Lane Elementary	61,350	542	465	542	481	550	529	550	503	550	491
Dixie Elementary	44,573	500	451	500	471	480	469	480	444	480	401
Doss High	237,309	1,600	1,102	1,600	1,072	1,600	1,087	1,600	1,049	1,600	1,029
Dunn Elementary	51,816	615	528	615	570	610	563	610	580	610	616
DuPont Maunal High	249,048	1,880	1,919	1,880	1,901	1,850	1,896	1,850	1,896	1,850	1,877
Eastern High	299,962	2,090	2,088	2,090	2,024	2,090	2,073	2,090	2,069	2,090	2,054
Eisenhower Elementary	59,511	672	572	672	602	584	612	584	617	584	616
Engelhard Elementary	56,137	500	366	500	409	530	435	530	435	530	452
ESL Newcomer Academy			480		517						
Fairdale Elementary	64,726	669	569	669	606	669	621	669	603	669	576
Fairdale High Magnet Career Academy	270,295	1,600	1,204	1,600	1,173	1,600	1,164	1,600	1,139	1,600	1,080
Farmer Elementary (New 07-08)	79,550	760	747	760	765	788	760	788	751	788	774
Farnsley Middle (Formerly Williams Middle)	129,979	1,150	1,059	1,150	1,048	1,150	1,067	1,150	1,108	1,150	1,151
Fern Creek Elementary	62,617	727	594	727	644	788	669	788	728	788	781
Fern Creek Traditional High	247,769	1,650	1,685	1,650	1,599	1,575	1,595	1,575	1,548	1,575	1,463
Field Elementary	55,945	446	413	446	405	446	414	446	410	446	427
Foster Traditional Academy	79,800	660	584	660	592	650	655	650	649	650	632

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2012-13		2011-12		2010-11		2009-10		2008-09	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Central High	206,118	1,400	1,144	1,400	1,116	1,400	1,088	1,400	1,041	1,400	964
Chancey Elementary	151,957	765	737	765	700	765	724	765	725	765	782
Chenoweth Elementary	57,431	640	520	640	527	640	520	640	515	640	520
Churchill Park School ¹	82,200	210	159	210	194						
Cochran Elementary	56,645	514	396	514	385	514	399	514	393	514	428
Cochrane Elementary	52,724	520	495	500	509	495	486	495	405	495	364
Coleridge Taylor Elementary	73,437	750	632	750	632	750	648	750	652	750	678
Conway Middle	99,073	950	901	950	887	950	874	950	905	950	908
Coral Ridge Elementary	53,751	562	493	562	465	562	459	562	464	562	476
Crosby Middle	98,894	1,450	1,402	1,450	1,402	1,120	1,337	1,120	1,229	1,120	1,226
Crums Lane Elementary	53,230	550	496	550	480	550	448	550	423	550	399
Dixie Elementary	44,573	480	384	480	437	468	442	468	456	468	409
Doss High	237,403	1,600	913	1,600	924	1,600	911	1,600	963	1,600	1,072
Dunn Elementary	51,816	607	611	607	594	603	590	603	599	603	621
DuPont Maunal High	249,048	1,850	1,895	1,850	1,888	1,800	1,893	1,800	1,859	1,800	1,871
Eastern High	241,428	2,090	2,119	2,090	2,118	1,800	2,150	1,800	2,170	1,800	2,144
Eisenhower Elementary	56,195	584	571	584	581	551	554	551	553	551	519
Engelhard Elementary	50,212	530	430	530	409	480	436	480	444	480	427
ESL Newcomer Academy											
Fairdale Elementary	67,584	669	559	669	563	669	558	669	538	669	530
Fairdale High Magnet Career Academy	285,863	1,600	1,095	1,600	1,004	1,600	1,004	1,600	952	1,600	887
Farmer Elementary (New 07-08)	79,550	761	763	740	737	650	694	650	617	650	534
Farnsley Middle (Formerly Williams Middle)	123,433	1,120	1,129	1,120	1,134	1,010	1,124	1,010	1,109	1,010	1,102
Fern Creek Elementary	56,020	780	801	765	789	796	773	796	771	796	790
Fern Creek Traditional High	249,569	1,575	1,454	1,575	1,433	1,575	1,472	1,575	1,568	1,575	1,466
Field Elementary	48,818	446	424	446	423	426	438	426	459	426	466
Foster Traditional Academy	80,743	650	622	650	623	650	662	650	651	650	653

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2017-18		2016-17		2015-16		2014-15		2013-14	
		Student Enrollment		Student Enrollment		Student Enrollment		Student Enrollment		Student Enrollment	
		Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month
Frayser Elementary	68,142	522	363	522	380	522	380	522	371	522	352
Robert Frost Middle	77,553	700	470	700	435	700	169	700	219	700	494
Gilmore Lane Elementary	39,483	412	276	412	289	412	293	412	289	412	312
Goldsmith Elementary	50,464	683	584	683	611	683	631	683	607	683	619
Greathouse/Shryock Elem.	61,555	620	616	620	618	612	612	612	607	612	609
Greenwood Elementary	50,667	570	506	570	540	565	535	565	563	565	564
Gutermuth Elementary	53,378	541	402	541	414	563	444	563	437	563	410
Hartstern Elementary	53,718	592	464	592	469	592	469	592	473	592	470
Hawthorne Elementary	62,659	507	467	507	472	507	487	507	492	507	496
Hazelwood Elementary	104,673	620	477	620	492	696	471	696	480	696	460
Highland Middle	120,249	1,200	919	1,200	929	1,227	1,035	1,227	1,089	1,227	1,156
Hite Elementary	45,720	526	491	526	495	526	507	526	499	526	500
Indian Trail Elementary	45,660	537	446	537	472	537	447	537	421	537	453
Iroquois High	293,374	1,450	1,283	1,450	1,269	1,450	1,173	1,450	1,158	1,450	1,100
Jacob Elementary	64,800	700	623	700	656	698	687	698	677	698	707
Jefferson County Trad. Middle	120,513	929	930	929	918	929	918	929	917	929	922
Jefferson County High School (New 06-07)			428		237		286		425		485
Jefferson, Thomas Middle	206,213	1,425	998	1,425	901	1,425	858	1,425	853	1,425	896
Jeffersontown Elementary	69,309	766	720	766	754	819	766	819	765	819	780
Jeffersontown High Magnet Career	332,591	1,600	1,107	1,600	1,158	1,600	1,297	1,600	1,389	1,600	1,434
Johnson Traditional Middle	136,185	980	869	980	887	980	904	980	909	980	912
Johnsontown Road Elementary	46,556	487	352	487	417	487	416	487	430	487	404
Kammerer Middle	127,480	1,120	930	1,120	890	1,120	904	1,120	939	1,120	1,064
Kennedy Metropolitan ¹	45,627							84	73	84	71
Kennedy Montessori Elementary	58,592	640	599	640	574	620	559	620	605	620	619
Kenwood Elementary	46,843	600	571	600	607	615	588	615	588	615	584
Kerrick Elementary	46,870	582	479	582	455	540	459	540	459	540	444

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2012-13		2011-12		2010-11		2009-10		2008-09	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Frayser Elementary	71,730	522	373	522	375	522	406	522	371	522	372
Frost Middle	76,851	700	529	700	423	700	473	700	459	700	439
Gilmore Lane Elementary	39,483	412	373	412	367	407	361	407	399	407	390
Goldsmith Elementary	42,994	683	678	672	690	650	674	650	665	650	656
Greathouse/Shryock Elem.	51,054	612	610	612	612	612	610	612	611	612	606
Greenwood Elementary	42,848	565	561	562	562	556	565	556	547	556	560
Gutermuth Elementary	53,378	563	443	563	447	563	483	563	478	563	508
Hartstern Elementary	52,655	592	448	592	442	592	499	592	477	592	551
Hawthorne Elementary	42,510	507	477	487	490	484	484	484	436	484	405
Hazelwood Elementary	83,381	696	435	696	444	696	443	696	413	696	405
Highland Middle	123,574	1,227	1,189	1,200	1,195	1,025	1,118	1,025	1,077	1,025	1,090
Hite Elementary	45,720	526	530	523	517	513	521	513	498	513	511
Indian Trail Elementary	40,225	537	498	537	481	537	510	537	474	537	459
Iroquois High	296,110	1,450	1,193	1,450	1,174	1,450	1,104	1,450	1,182	1,450	1,262
Jacob Elementary	61,250	698	688	690	697	675	668	675	625	675	540
Jefferson County Trad. Middle	120,513	929	925	929	895	929	908	929	906	929	925
Jefferson County Virtual School (New 06-07)			439		338		276		291		244
Jefferson, Thomas Middle	224,413	1,425	898	1,425	966	1,425	1,002	1,425	908	1,425	961
Jeffersontown Elementary	69,305	819	794	819	794	778	767	778	776	778	805
Jeffersontown High Magnet Career	298,488	1,600	1,471	1,600	1,366	1,600	1,224	1,600	1,160	1,600	1,203
Johnson Traditional Middle	136,185	980	932	980	940	959	951	959	966	959	975
Johnsontown Road Elementary	47,096	487	429	487	455	471	465	471	452	471	477
Kammerer Middle	112,682	1,100	1,074	1,050	1,033	1,050	936	1,050	904	1,050	893
Kennedy Metropolitan ¹	36,765	77	86	77	82						
Kennedy Montessori Elementary	58,592	620	622	620	586	600	598	600	597	600	594
Kenwood Elementary	47,319	615	590	615	595	600	592	600	577	600	602
Kerrick Elementary	49,808	540	480	540	482	540	492	540	483	540	489

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2017-18		2016-17		2015-16		2014-15		2013-14	
		Student Enrollment		Student Enrollment		Student Enrollment		Student Enrollment		Student Enrollment	
		Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month	Program Capacity	1st Pupil Month
King Elementary	67,295	550	400	550	423	550	470	550	456	550	457
Klondike Lane Elementary	57,300	650	438	650	476	732	516	732	569	732	617
Knight Middle	101,218	700	419	700	406	700	407	700	411	700	435
Lassiter Middle	103,834	950	1,002	950	900	900	913	900	925	900	855
Laukhuf Elementary	61,426	600	457	600	443	600	446	600	455	600	464
Layne Elementary	50,740	518	417	518	447	541	463	541	469	541	472
Liberty High	100,329	222	269	222	275	270	404	270	385	270	366
Lincoln Elementary Performing Arts	96,825	566	564	566	562	500	556	500	544	500	493
Louisville Male High	187,678	1,915	1,961	1,915	1,891	1,763	1,806	1,763	1,781	1,763	1,755
Lowe Elementary	59,560	620	600	620	602	620	606	620	606	620	620
Luhr Elementary	46,943	524	503	524	482	524	483	524	477	524	486
Maupin Elementary	74,000	675	313	675	367	675	473	675	485	675	496
McFerran Preparatory Academy	160,000	1,020	907	1,020	901	1,020	971	1,020	874	1,020	917
Medora Elementary	39,537	463	459	463	454	463	455	463	442	463	444
Meyzeek Middle	134,645	1,200	1,107	1,200	1,138	1,200	1,101	1,200	1,123	1,200	1,140
Middletown Elementary	58,553	645	562	645	595	645	611	645	598	645	603
Mill Creek Elementary	48,611	564	503	564	508	564	490	564	484	564	475
Minor Daniels (New 15-16)	46,759		212		167		165				
Minors Lane Elementary	51,721	529	431	529	454	600	447	600	446	600	384
Moore High (New 06-07)	263,686	2,190	2,142	2,190	2,014	2,190	2,004	2,070	1,984	2,070	1,860
Myers Middle	97,164					1,010	129	1,010	324	1,010	785
Newburg Middle	119,000	1,100	1,077	1,100	1,040	1,112	1,061	1,112	1,020	1,112	1,015
Noe Middle	151,960	1,350	1,336	1,350	1,360	1,332	1,327	1,332	1,331	1,332	1,330
Norton Commons Elementary (New 16-17)	60,724	784	488	784	404						
Norton Elementary	60,724	768	722	768	724	768	736	768	732	768	726
Okolona Elementary	50,950	501	324	501	313	501	310	501	346	501	329

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2012-13		2011-12		2010-11		2009-10		2008-09	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
King Elementary	67,295	550	486	550	441	484	499	484	531	484	499
Klondike Lane Elementary	57,300	732	681	732	727	658	696	658	709	658	712
Knight Middle	101,568	700	472	700	456	700	537	700	560	700	579
Lassiter Middle	103,834	900	754	900	751	925	817	925	784	925	724
Laukhuf Elementary	56,209	600	448	600	442	620	472	620	498	620	527
Layne Elementary	50,740	541	500	541	466	514	503	514	513	514	508
Liberty High	100,329	263	349	373	330	n/a	462	n/a	414	n/a	368
Lincoln Elementary	63,067	439	445	439	401	439	373	439	275	439	292
Louisville Male High	209,752	1,763	1,735	1,763	1,688	1,634	1,732	1,634	1,785	1,634	1,786
Lowe Elementary	59,560	615	614	608	615	600	611	600	611	600	595
Luhr Elementary	49,373	524	493	524	494	524	500	524	492	524	500
Maupin Elementary	74,000	675	497	675	507	675	528	675	504	675	607
McFerran Preparatory Academy	334,503	1,020	903	996	972	1,062	946	1,062	920	1,062	827
Medora Elementary	39,537	463	440	463	435	424	440	424	460	424	421
Meyzeek Middle	134,645	1,200	1,115	1,200	1,117	1,200	1,051	1,200	1,062	1,200	1,071
Middletown Elementary	58,553	645	620	645	609	632	611	632	647	632	613
Mill Creek Elementary	49,651	564	509	564	503	564	504	564	486	564	490
Minor Daniels	46,759										
Minors Lane Elementary	51,721	600	383	600	365	600	329	600	330	600	376
Moore Traditional School (New 06-07)		2,050	1,763	2,050	1,651	2,050	1,550	2,050	1,557	2,050	1,568
Myers Middle	97,164	1,010	731	1,010	770	1,010	720	1,010	783	1,010	797
Newburg Middle	123,433	1,112	1,046	1,112	1,031	1,112	947	1,112	930	1,112	958
Noe Middle	155,118	1,332	1,341	1,332	1,323	1,250	1,319	1,250	1,330	1,250	1,305
Norton Commons Elementsry											
Norton Elementary	62,719	768	737	768	730	750	722	750	735	750	753
Okolona Elementary	50,950	501	328	501	329	501	382	501	422	501	415

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2017-18		2016-17		2015-16		2014-15		2013-14	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Olmsted Academy North Middle	152,553	773	587	773	581	773	577	773	662	773	653
Olmsted Academy South Middle	101,082	810	692	810	690	810	665	810	680	810	721
Pleasure Ridge Park High	284,117	1,885	1,697	1,885	1,796	1,850	1,895	1,850	1,887	1,850	1,837
Portland Elementary	53,599	400	294	400	292	400	294	400	293	400	288
Price Elementary	53,339	590	404	590	435	590	501	590	509	590	544
Ramsey Middle (New 07-08)	129,000	1,070	1,054	1,070	1,056	950	1,013	950	998	950	947
Rangeland Elementary	54,840	620	423	620	461	620	464	620	485	620	529
Roosevelt Perry Elementary	62,566	451	278	451	350	451	415	451	435	451	413
Rutherford Elementary	87,876	630	482	630	551	630	598	630	605	630	608
Sanders Elementary	44,376	517	454	517	480	560	485	560	515	560	501
Schaffner Traditional Elementary	41,156	612	596	612	607	612	611	612	602	612	610
Semple Elementary	73,440	629	600	629	620	629	581	629	581	629	535
Seneca High	226,306	1,685	1,286	1,685	1,369	1,685	1,417	1,685	1,462	1,685	1,502
Shacklette Elementary	55,786	616	413	616	418	616	426	616	454	616	437
The Academy@Shawnee	333,804	1,400	697	1,400	770	1,449	770	1,449	675	1,449	595
Shelby Elementary	76,343	760	728	760	736	700	756	700	737	700	704
Slaughter Elementary	63,380	475	390	475	436	526	438	526	437	526	439
Smyrna Traditional Elementary	52,176	585	476	585	514	585	559	585	559	585	562
South Park TAPP Program ¹	42,440	191	40	191	93	191	105	191	89	191	157
Southern High	321,288	1,700	1,360	1,700	1,254	1,700	1,213	1,700	1,192	1,700	1,124
St. Matthews Elementary	44,888	585	557	585	563	597	567	597	579	597	568
Stonestreet Elementary	48,282	500	435	500	452	578	439	578	460	578	482
Stopher Elementary (New 07-08)	79,550	800	776	800	803	832	822	832	791	832	803
Stuart Middle	214,706	800	779	800	647	1,500	806	1,500	882	1,500	970
Taylor, Zachary Elementary	60,043	585	463	585	444	585	464	585	525	585	508
Trunnel Elementary	54,086	642	530	642	562	662	561	662	542	662	568
Tully Elementary	105,648	828	747	828	733	828	708	828	706	828	738

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2012-13		2011-12		2010-11		2009-10		2008-09	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Olmsted Academy North Middle	152,553	850	665	1,050	768	1,050	782	1,050	786	1,050	711
Olmsted Academy South Middle	101,510	895	771	895	814	895	771	895	776	895	727
Pleasure Ridge Park High	284,117	1,850	1,861	1,850	1,859	1,820	1,891	1,820	1,938	1,820	1,920
Portland Elementary	52,661	450	268	450	256	472	259	472	270	472	294
Price Elementary	53,339	590	588	590	582	547	578	547	539	547	544
Ramsey Middle (New 07-08)	129,000	950	877	950	821	950	727	950	657	950	510
Rangeland Elementary	46,210	580	580	560	545	520	520	520	492	520	368
Roosevelt Perry Elementary	50,185	451	397	451	381	451	379	451	307	451	323
Rutherford Elementary	83,296	630	606	630	595	600	598	600	547	600	564
Sanders Elementary	44,376	560	498	560	504	503	493	503	528	503	563
Schaffner Traditional Elementary	41,156	612	608	612	608	612	604	612	611	612	611
Semple Elementary	65,447	629	543	629	542	629	552	629	581	629	585
Seneca High	236,142	1,685	1,482	1,685	1,379	1,685	1,494	1,685	1,519	1,685	1,579
Shacklette Elementary	47,409	616	433	616	450	708	472	708	493	708	529
The Academy@Shawnee	333,804	1,400	553	1,400	587	1,400	563	1,400	549	1,400	863
Shelby Elementary	83,477	650	682	650	649	650	646	650	626	650	541
Slaughter Elementary	50,578	526	415	526	442	508	516	508	483	508	473
Smyrna Traditional Elementary	42,827	575	571	575	546	623	513	623	574	623	599
South Park TAPP Program ¹	42,152	216	211	216	212						
Southern High	329,983	1,700	1,199	1,700	1,240	1,700	1,274	1,700	1,292	1,700	1,292
St. Matthews Elementary	46,228	597	589	597	593	550	588	550	600	550	580
Stonestreet Elementary	49,169	578	515	578	488	578	497	578	515	578	548
Stopher Elementary (New 07-08)	79,550	820	811	784	809	650	763	650	754	650	688
Stuart Middle	214,706	1,500	1,058	1,500	1,020	1,500	1,082	1,500	1,085	1,500	1,093
Taylor, Zachary Elementary	45,067	585	517	585	491	585	498	585	534	585	513
Trunnel Elementary	55,097	662	632	662	609	670	606	670	636	670	653
Tully Elementary	105,648	828	792	828	794	809	807	809	812	809	750

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2017-18		2016-17		2015-16		2014-15		2013-14	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Valley Traditional High	275,670	1,600	1,038	1,600	1,271	1,600	1,481	827	1,481	1,600	1,330
Waggener High	185,446	1,300	908	1,300	868	1,300	827	1,300	763	1,300	764
Waller William Environmental ¹	54,619	98	98	98	87	98	94	98	86	98	
Watson Lane Elementary	68,925	661	315	661	364	661	364	661	395	661	414
Watterson Elementary	52,105	600	532	600	564	615	555	615	593	615	593
Wellington Traditional Elem.	56,924	547	484	547	484	547	492	547	457	547	457
Western High	202,622	1,300	731	1,300	789	1,300	825	1,300	806	1,300	768
Western Middle	133,525	825	629	825	603	825	575	825	555	825	461
Westport TAPP Program ¹	78,043	148	76	148	76	148	147	148	158	148	179
Westport Traditional Middle	169,768	1,300	1251	1,300	1244	1,300	1205	1,300	1124	1,300	943
Wheatley Elementary	61,244	500	387	500	387	550	414	550	390	550	401
Wheeler Elementary	53,443	688	660	688	667	680	679	680	681	680	684
Wilder Elementary	49,424	613	563	613	548	613	544	613	572	613	593
Wilkerson Traditional Elem.	43,795	534	468	534	470	534	448	534	479	534	495
Wilt Elementary	50,481	566	519	566	507	566	498	566	485	566	476
Young Elementary	73,437	650	514	650	525	650	553	650	535	650	520

Enrollment presented is as of the end of the first pupil month. This is not typically our highest enrollment month during the school year, but this is when the program budget is set and students are assigned to each school within program capacity guidelines.

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

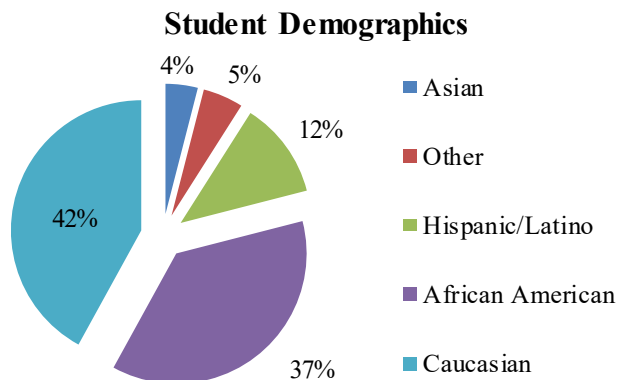
School Name	Square Footage	2012-13		2011-12		2010-11		2009-10		2008-09	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Valley Traditional High	266,102	1,600	1,087	1,600	979	1,600	908	1,600	835	1,600	877
Waggener High	222,142	1,300	782	1,300	790	1,300	852	1,300	924	1,300	1,005
Waller William Environmental ¹	52,616	98	97								
Watson Lane Elementary	62,030	661	443	661	449	661	454	661	485	661	523
Watterson Elementary	52,105	615	605	615	599	615	593	615	601	615	579
Wellington Traditional Elem.	56,924	547	482	547	486	547	480	547	483	547	477
Western High	235,472	1,300	798	1,300	762	1,300	871	1,300	848	1,300	871
Western Middle	133,525	825	387	825	297	825	356	825	457	825	493
Westport TAPP Program ¹	52,950	228	154	228	219						
Westport Traditional Middle	169,768	1,300	928	1,300	885	1,300	849	1,300	790	1,300	739
Wheatley Elementary	63,935	550	405	550	420	550	410	550	386	550	386
Wheeler Elementary	53,443	680	631	680	618	680	597	680	593	680	611
Wilder Elementary	49,738	613	566	613	564	610	568	610	612	610	609
Wilkerson Traditional Elem.	43,795	534	490	534	496	470	517	470	519	470	510
Wilt Elementary	50,481	566	460	566	456	550	476	550	463	550	517
Young Elementary	73,437	650	531	650	440	610	429	610	489	610	582

¹ Students at these alternative schools are counted in the enrollment at their home school for years prior to 2011-12.

Enrollment presented is as of the end of the first pupil month. This is not typically our highest enrollment month during the school year, but this is when the program budget is set and students are assigned to each school within program capacity guidelines.

Miscellaneous Statistics

For the Year Ended June 30, 2018



Number of Students

English as a Second Language	7,636
Different Languages	138
Special Needs	12,626
Free and Reduced Price Lunch	67%
Advanced Placement Tests Taken	11,245

Student Transportation

Number of Buses	900
Number of Bus Compounds	13
Miles Driven per Day (Average)	94,096
Number of Students Transported Daily	69,904

