

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Board of Education of Jefferson County, Kentucky

For the Year Ended June 30, 2019

Prepared By:
Department of Financial Services
Marty Pollio, Ed. D., Superintendent
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Officer/Treasurer



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JEFFERSON COUNTY PUBLIC SCHOOLS
Board of Education of Jefferson County, Kentucky
For the Fiscal Year Ended June 30, 2019

Table of Contents

Introductory Section

<i>Letter of Transmittal</i>	iv
<i>Letter from Diane Porter, Chairwoman, Board of Education of Jefferson County, Kentucky</i>	xiv
<i>Board of Education</i>	xv
<i>Government Finance Officers Association Award for Excellence</i>	xvi
<i>Organizational Chart</i>	xvii

Financial Section

<i>Independent Auditors' Report</i>	1
<i>Management's Discussion and Analysis (Unaudited)</i>	4

Financial Statements:

District-wide Financial Statements

Statement of Net Position	14
Statement of Activities.....	15

Fund Financial Statements

Governmental Funds

Balance Sheet	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17

Proprietary Funds

Statement of Net Position	19
Statement of Revenues, Expenses, and Changes in Net Position	20
Statement of Cash Flows	21

Continued



Table of Contents--Continued

Jefferson County Public Education Foundation, a Major Component Unit of the Board of Education of Jefferson County, Kentucky

Statement of Net Assets	23
Statement of Revenues, Expenses, and Changes in Net Assets	23

Fiduciary Funds

Statement of Fiduciary Net Position	24
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Notes to Financial Statements – Integral to the Basic Financial Statements	25
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Required Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual General Fund	64
Schedule of Revenues and Expenditures – Budget and Actual Special Revenue Fund	65
Schedule of the District’s Proportionate Share of the Net Pension Liability – County Employees Retirement System	67
Schedule of the District’s Proportionate Share of the Net Pension Liability – Kentucky Teachers Retirement System	68
Schedule of the District’s Proportionate Share of the Collective Net OPEB Liability – County Employees Retirement System	69
Schedule of the District’s Proportionate Share of the Collective Net OPEB Liability – Kentucky Teachers Retirement System – Medical Insurance	70
Schedule of the District’s Proportionate Share of the Collective Net OPEB Liability – Kentucky Teachers Retirement System – Life Insurance	71
Schedule of District Contributions – County Employees Retirement System	72
Schedule of District Contributions – Kentucky Teachers Retirement System	73
Schedule of District Contributions – OPEB: County Employees Retirement System	74
Schedule of District Contributions – OPEB: Kentucky Teachers Retirement System – Medical Insurance	75
Schedule of District Contributions – OPEB: Kentucky Teachers Retirement System – Life Insurance	76

Other Supplementary Information

Schedule of Revenues and Expenditures – Budget and Actual Construction Fund	77
Schedule of Revenues and Expenditures – Budget and Actual School Food Service Fund	77
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Funds SEEK Capital Outlay Fund	78
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Funds Building Tax Fund	78
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Debt Service Fund	79
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Daycare Operations Fund	79
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Adult Education Fund	80
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Tuition Preschool Fund	80
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Enterprise Programs	81
Combining Balance Sheet – Nonmajor Governmental Funds	82

Continued



Table of Contents--Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	83
Combining Statement of Net Position – Nonmajor Proprietary Funds	84
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds	85
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	86
Combining Statement of Fiduciary Net Position and Statement of Changes in Assets and Liabilities – Fiduciary Funds	87

Statistical Section

<i>Statement of Net Position—Total Primary Government</i>	<i>89</i>
<i>Statement of Activities—Governmental Activities</i>	<i>91</i>
<i>Statement of Activities—Business-Type Activities</i>	<i>95</i>
<i>Statement of Activities—Total Primary Government</i>	<i>97</i>
<i>Balance Sheets—Governmental Activities</i>	<i>101</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Activities</i>	<i>103</i>
<i>General Government Expenses by Function</i>	<i>107</i>
<i>General Government Revenues by Type</i>	<i>108</i>
<i>Property Tax Rates</i>	<i>109</i>
<i>Real Estate and Personal Property Tax Revenues</i>	<i>110</i>
<i>Property Tax Assessments</i>	<i>111</i>
<i>Property Taxes, as Assessed</i>	<i>112</i>
<i>Principal Real Estate Taxpayers</i>	<i>113</i>
<i>Overlapping Tax Rates</i>	<i>114</i>
<i>Principal Employers by Number of Employees</i>	<i>117</i>
<i>Occupational Tax Revenues</i>	<i>119</i>
<i>Total Bonded Debt by Responsible Party</i>	<i>120</i>
<i>Detail of Bonds by Responsible Party</i>	<i>121</i>
<i>Overlapping/Direct Debt and Bond Analysis Ratios</i>	<i>122</i>
<i>Ratios of Debt Outstanding</i>	<i>123</i>
<i>Jefferson County Demographics</i>	<i>124</i>
<i>Economic Statistics</i>	<i>125</i>
<i>Number of Employees by Functional Duties</i>	<i>126</i>
<i>Enrollment by Level</i>	<i>127</i>
<i>School Building Capacity Data</i>	<i>128</i>
<i>Miscellaneous Statistics</i>	<i>140</i>

INTRODUCTORY SECTION

CURRENT INITIATIVES

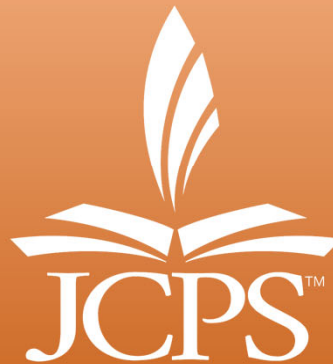
BOARD MEMBER DATA

LETTER OF TRANSMITTAL



EVIDENCE OF SUCCESS

ORGANIZATIONAL CHART





Letter of Transmittal

November 12, 2019

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, 2019.

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>	
2014	760,703
2015	763,509
2016	765,352
2017	771,158
2018	770,517

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 Notes F and H, the District is challenged by pervasively underfunded or underperforming pension plans in which our employees participate in as well as the related pension-provided other post-employment benefits. 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. Audits are performed using an enterprise-wide risk assessment. 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 including moving many of our revenue collections to online card payment systems. Our aim is to efficiently and completely support those who provide services to our students.



We have 97,856 students:

High	28,358
Middle	21,233
Elementary	35,763
Kindergarten	7,183
Preschool	2,899
Special Schools	2,420

We have 167 schools and learning centers:

High	18
Middle	22
Elementary	90
Multi-Level	3
Pre-K Centers	5
Special	15
State Agency	14

We project that our enrollment is stable, with our 2019-2020 forecast of approximately 98,000 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 3,804 earning 244 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.
- **Louisville Learns:** More than 250 online leisure-learning and career-enhancing classes.



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 JCPS Racial Educational Equity Plan. 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.



Adults model integrity, respect, and responsibility

Positive Climate and Culture: Empowered employees create confident students. The sense of trust that students need to excel in the classroom and in extracurricular activities must be honed with extraordinary care. In addition, students must have the individualized resources they require to be at their best. This includes mental health, suicide prevention, and bullying prevention. To provide these resources and let each student achieve their individual best, we have added mental health practitioners into every

school. 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.

Backpack of Success Skills: The Backpack of Success Skills is an innovative 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.

JCPS Racial Educational Equity Plan: The District's Commitment to Racial Educational Equity policy, 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 2018. This transformative policy is the first step toward building the academic programs and services that meet the needs of a diverse student population and eliminate achievement gaps. To create this organization-wide transformation, we are in our second year of a district-wide professional development initiative. Additionally, we have opened the W.E.B. Dubois Academy, a middle school for males of color that focuses on academic and behavioral excellence building confident students. The first year of this new school has been so successful that we are planning the Females of Color STEAM Academy to open in the fall of 2020.

Evidence of Success

The District is seeing the results of its focus on Vision 2020. 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:

- First place winner of the KY Junior BETA Convention (Farmer Elementary)
- People's Choice Award recipient in the Follett Challenge (J. Graham Brown School)
- 2019 Jefferson County All-Star Band named the Grand Champion of the 2019 Republic Bank Derby Festival Pegasus Parade
- National School of Character recipient (Kenwood Elementary)
- Barret Middle was named a Blue Ribbon school



Our Students:

- Award of Excellence in the PTA Reflections State contest for Visual Art
- National Academy of Television Arts & Sciences Student Production Award winners
- StAMINA (Student Alliance for Mental Health Innovation and Action) group was formed by a JCPS High School student
- More than thirty-five JCPS students named 2019 National Merit Scholarship semifinalists
- Three JCPS students honored with Frazier Museum's Poe-Inspired Art Exhibition awards
- Twelve JCPS students recognized as winners of the 2018 YMCA Youth Character Awards
- JCPS student selected for the Student Technology Leadership Program
- Top KY Youth Volunteer by Prudential Spirit of Community Award recipient
- Sixteen JCPS Seniors recognized with the 2019 Vogt Educational & Leadership Scholarship
- 2019 VSA Playwright Discovery Competition winner
- Five Students with perfect attendance for their K-12 learning years
- Two JCPS schools recognized as Kentucky High School Athletic Association football Champions for their divisions

Our Teachers & Staff Members:

- New Teacher of the Year recipient by the Association for Career and Technical Education
- 2018 KY Council for Social Studies Outstanding Social Studies Teacher of the Year
- KY Art Education Association's High School Art Teacher of the Year recipient
- 2018 Ann S. Booth mathematics Education Service & Achievement award honoree



- Excellence in the Classroom & Educational Leadership (ExCEL) Award Winners
- 2019 KY Music Educators Association (KMEA) High School Teacher of the Year
- KY High School Athletic Association Coach of the Year
- KCTE Middle School Teacher of the Year award winner
- 2019 Counselor Advocate of the Year Award recipient
- 435 National Board Certified Teachers
- 2 recipients of a Carnegie Medal by the Carnegie Hero Fund Commission
- KY High School Teacher of the Year award
- IT Leader of the Year 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 12, 2019

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.

To achieve our Vision, we, in conjunction with Superintendent Marty Pollio, have established three pillars to support JCPS.

The Backpack of Success Skills, our first pillar, 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 their school career and must present a defense of their learning accomplishments at the end of fifth, eighth, and twelfth grades.

Our second pillar is school culture and climate. For students to perform at their best, they must be educated in a supportive environment that not only delivers high-yield pedagogy, but also provides the students with individualized behavioral, social, and emotional supports. We have added mental health practitioners to all of our schools to address bullying and suicide prevention. We are ensuring that our curriculum stimulates our students while they are learning by investing in career and technical education through our Academies of Louisville programs with real world student apprenticeships.

The third pillar is our Racial Equity Plan. The Board passed 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 Plan includes a significant professional development investment and additional academic supports and extracurricular programs.

As part of this Plan, the Board voted to open W.E.B. Dubois Academy for the 2018-2019 school year. This is the first Males of Color Academy for JCPS. This inspiring new program demands excellence of its students and fills them with self-confidence and academic responsibility. The concept has been so successful in its first year that we will be opening a Females of Color STEAM Academy in the 2020-2021 school year.

Within our governance responsibilities, we are ensuring that all budgetary decisions are directly linked to our Vision to make certain 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 due 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, 2019.

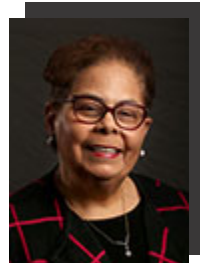
Sincerely,

A handwritten signature in black ink that reads "Diane Porter". The signature is fluid and cursive, with the first name "Diane" and last name "Porter" clearly visible.

Diane Porter
Chair



Jefferson County Board of Education
Members of the Board of Education



**Diane Porter,
Chairwoman,
District 1**



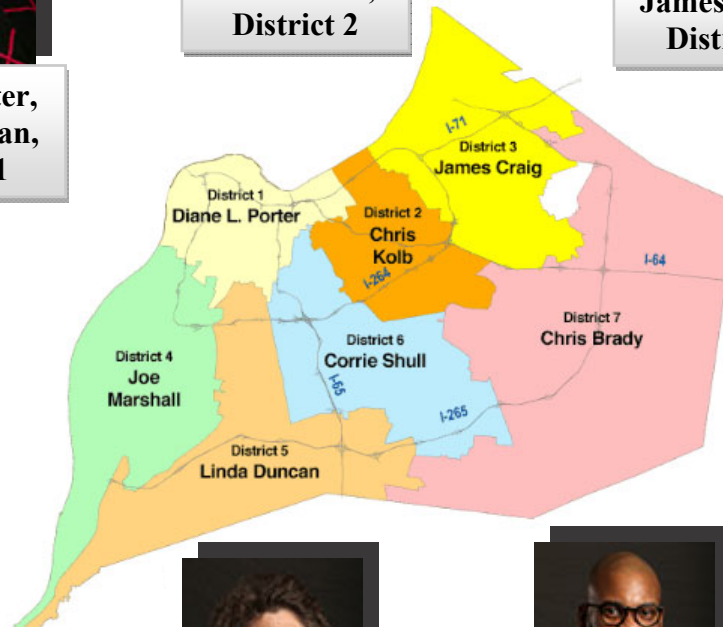
**Chris Kolb,
District 2**



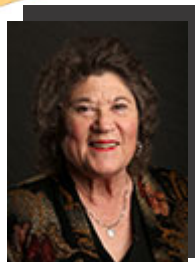
**James Craig,
District 3**



**Joe Marshall,
District 4**



**Chris Brady,
District 7**



**Linda Duncan,
District 5**

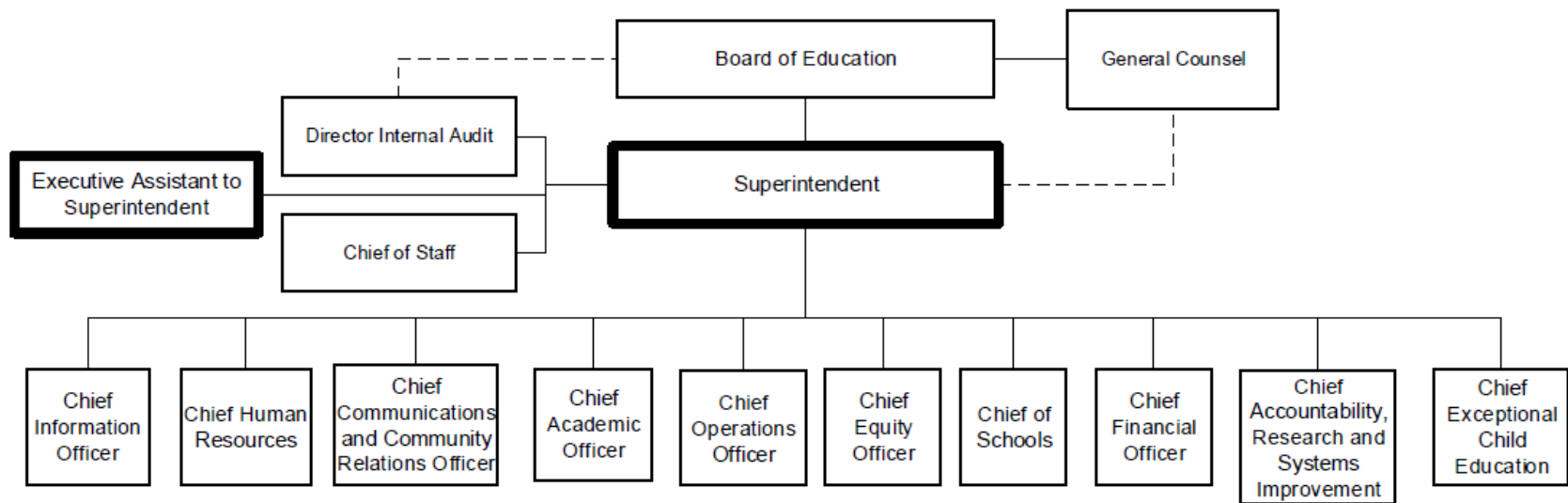


**Corrie Shull,
District 6**



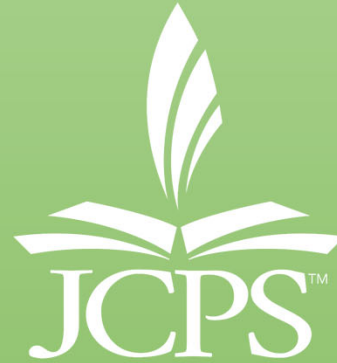
This Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment of the District. The District has received this award each year from 2007 through the latest award period for the year ended June 30, 2018.

Organizational Chart



FINANCIAL SECTION

MANAGEMENT DISCUSSION &
ANALYSIS



INDEPENDENT AUDITOR'S REPORT



FINANCIAL STATEMENTS



FOOTNOTES





Independent Auditors' Report

Members of the Board
Board of Education of Jefferson County, Kentucky
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, the component unit, and the aggregate remaining fund information of the Board of Education of Jefferson County, Kentucky (the "District") as of and for the year ended June 30, 2019, 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.

We did not audit the financial statements of the Jefferson County Public Education Foundation (the "Foundation") a major component unit of the District. The Foundation represents 100% of the assets, net assets, revenues and expenses of the major component units. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the financial statements of the Foundation, is based solely on the report of the other auditor.

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 and based on the opinion of the other auditor, 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, the component unit, and the aggregate remaining fund information of the District as of June 30, 2019, 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.

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 64 and 65 and the pension and other post-employment benefit liability and contribution information on pages 67 through 76 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 12, 2019, 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Strother and Company PSC

Louisville, Kentucky
November 12, 2019

Management's Discussion and Analysis

For the Year Ended June 30, 2019



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, 2019. 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 30th largest in the United States. We maintain 167 schools and education centers: 90 elementary, 22 middle, 18 high, 3 multi-level, 5 pre-K, 15 special, and 14 state agency schools. The financial position of the District remains strong and stable with an operating budget of \$1.7 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 to 1.

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>Change</u>		<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>Change</u>
College scholarships earned	\$168 million	\$187 million	\$183 million	-10.2%	Number of teachers	6,896	6,864	6,835	0.5%
Students taking AP tests	6,643	6,804	6,928	-2.4%	Teachers with Master's Degree or higher	83%	85%	84%	-2.4%
Number of tests taken	10,949	11,245	11,123	-2.6%	National Board Certified Teachers	435	432	359	0.7%
AP scores earning college credit	48.9%	47.3%	49.7%	3.4%	Student daily attendance rate	93.2%	93.2%	93.6%	0.0%

On the District-wide financial statements, the net position of the District was \$403.9 million. The District’s total net position decreased by \$75.1 million for the fiscal year ended June 30, 2019. The District’s governmental funds financial statements reported combined ending fund balance of \$246.0 million. Of this total, \$74.1 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, 2019



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, 2019



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	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 382,160,107	\$ 349,071,526	\$ 6,779,346	\$ 7,846,874	\$ 388,939,453	\$ 356,918,400
Capital assets, net of depreciation, and construction in progress	725,390,294	748,453,250	19,426,763	19,727,711	744,817,057	768,180,961
Total Assets	1,107,550,401	1,097,524,776	26,206,109	27,574,585	1,133,756,510	1,125,099,361
Deferred Outflows	122,233,765	166,496,598	12,860,724	18,042,165	135,094,489	184,538,763
Short-term liabilities	169,734,819	174,373,711	685,783	1,531,605	170,420,602	175,905,316
Other liabilities	1,347,717,574	1,304,627,935	90,165,542	93,664,072	1,437,883,116	1,398,292,007
Total Liabilities	1,517,452,393	1,479,001,646	90,851,325	95,195,677	1,608,303,718	1,574,197,323
Deferred Inflows	58,551,149	58,273,623	5,853,869	5,927,243	64,405,018	64,200,866
Net Position						
Net investment in capital assets	334,282,855	348,872,266	19,426,763	18,613,750	353,709,618	367,486,016
Restricted	174,959,788	73,324,431			174,959,788	73,324,431
Unrestricted	(855,462,019)	(695,450,592)	(77,065,124)	(74,119,920)	(932,527,143)	(769,570,512)
Total Net Position	\$ (346,219,376)	\$ (273,253,895)	\$ (57,638,361)	\$ (55,506,170)	\$ (403,857,737)	\$ (328,760,065)

Management's Discussion and Analysis

For the Year Ended June 30, 2019



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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for service	\$ 508,252	\$ 479,270	\$ 4,013,863	\$ 4,172,392	\$ 4,522,115	\$ 4,651,662
Operating grants & contributions	83,432,587	113,989,660	63,395,302	64,335,594	146,827,889	178,325,254
Capital grants & contributions	10,982,285	10,808,651				
General revenues						
Local taxes	702,496,727	672,944,841			702,496,727	672,944,841
State sources	712,404,151	769,690,285			712,404,151	769,690,285
Other	28,574,670	19,747,696	175,970	104,007	28,750,640	19,851,703
Total Revenues	1,538,398,672	1,587,660,403	67,585,135	68,611,993	1,595,001,522	1,645,463,745
Expenses						
School operation & administration	1,592,189,588	1,597,931,462			1,592,189,588	1,597,931,462
School food services			72,200,866	76,915,589	72,200,866	76,915,589
Other business-type activities			584,296	1,660,142	584,296	1,660,142
Interest on debt service	16,106,729	17,204,330	-		16,106,729	17,204,330
Total Expenses	1,608,296,317	1,615,135,792	72,785,162	78,575,731	1,681,081,479	1,693,711,523
Transfers, Net	(3,067,836)	(3,054,027)	3,067,836	3,054,027	-	-
Change in Net Position	(72,965,481)	(41,338,067)	(2,132,191)	(6,909,711)	(86,079,957)	(48,247,778)
Net Position, End of Year	\$ (346,219,376)	\$ (273,253,895)	\$ (57,638,361)	\$ (55,506,170)	\$ (403,857,737)	\$ (328,760,065)

Governmental Activities

The revenues in the governmental funds decreased by \$38.5 million. Most of this decrease was due to other state revenues as their portion of postemployment employee benefits liabilities decreased compared to previous years.

Management's Discussion and Analysis

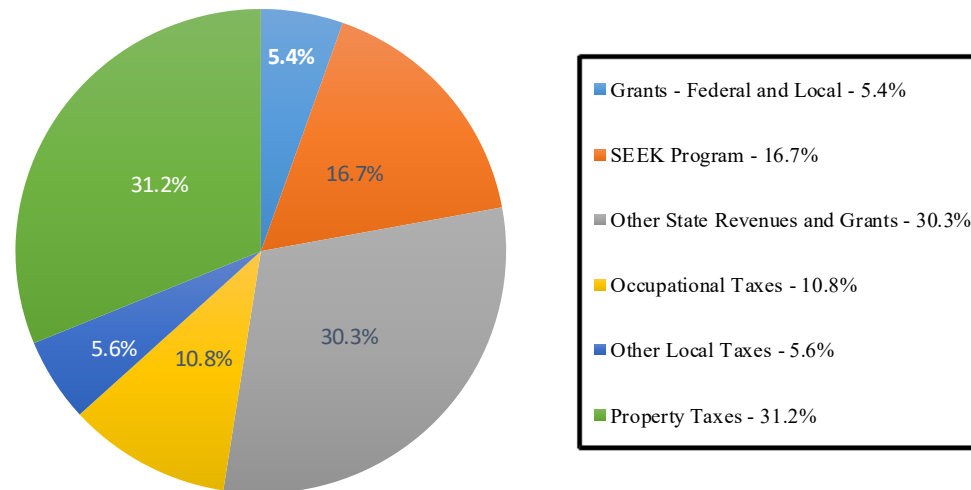
For the Year Ended June 30, 2019



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

Revenues	2019	2018	Change	% Change
Local Sources:				
Property Taxes	\$ 480,070,360	\$ 456,911,397	\$ 23,158,963	5.1%
Occupational Taxes	165,754,818	162,374,610	3,380,208	2.1%
Other Taxes	56,671,549	53,658,834	3,012,715	5.6%
State Sources:				
SEEK Program	256,564,394	256,709,740	(145,346)	-0.1%
Other State Revenues and Grants	455,839,757	512,980,545	(57,140,788)	-11.1%
KSFCC allocation	10,982,285	10,808,651	173,634	1.6%
Grants (federal and local)	83,432,587	103,181,009	(19,748,422)	-19.1%
Interest	7,473,913	3,284,271	4,189,642	127.6%
Other Sources	21,609,009	16,942,695	4,666,314	27.5%
Total Revenues	<u>\$1,538,398,672</u>	<u>\$1,576,851,752</u>	<u>\$ (38,453,080)</u>	<u>-2.4%</u>

Revenue Sources



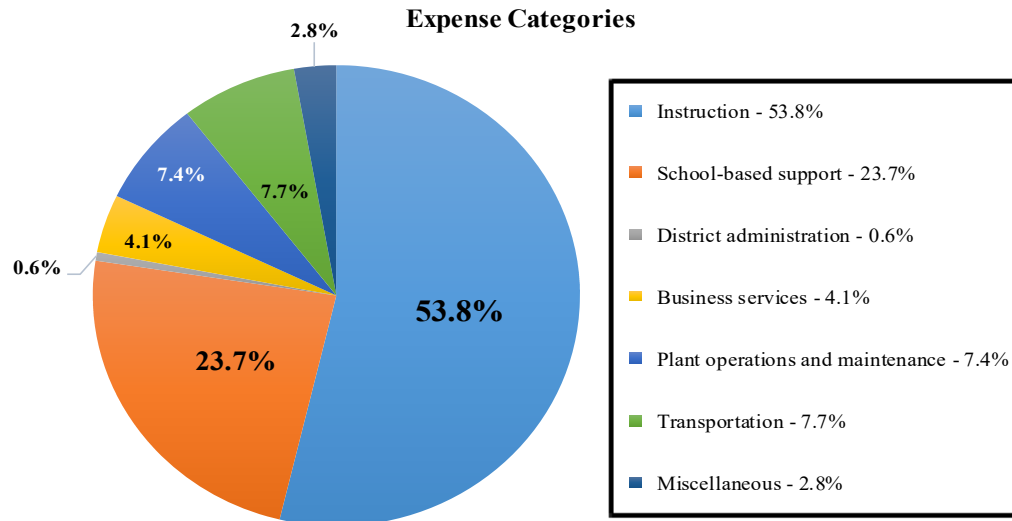
Management's Discussion and Analysis

For the Year Ended June 30, 2019



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

Expenses	2019	2018	Change	Change
Instruction	\$ 864,509,475	\$ 848,894,722	\$ 15,614,753	1.8%
Student support services	69,122,283	66,627,124	2,495,159	3.7%
Instructional staff support services	184,473,830	191,939,436	(7,465,606)	-3.9%
District administrative support services	9,417,079	8,792,408	624,671	7.1%
School administrative support services	127,163,050	108,309,775	18,853,275	17.4%
Business support services	65,847,780	70,521,907	(4,674,127)	-6.6%
Plant operations and maintenance	118,239,225	118,322,852	(83,627)	-0.1%
Transportation	124,412,708	158,063,796	(33,651,088)	-21.3%
Community services	28,399,457	26,377,760	2,021,697	7.7%
Other instructional support services	64,987	60,065	4,922	8.2%
Miscellaneous	539,714	21,617	518,097	2396.7%
Interest	16,106,729	17,204,330	(1,097,601)	-6.4%
Total Expenditures	\$ 1,608,296,317	\$ 1,615,135,792	\$ (6,839,475)	-0.4%



Management's Discussion and Analysis

For the Year Ended June 30, 2019



Business-type Activities

Net Position of the District's business-type activities decreased \$2.1 million. Most of this occurred due to accounting for other postemployment benefits as discussed further in Note H. School Food Service net position decreased \$3.2 million. Daycare Operations expenses increased \$.7 million and tuition preschool's operating expenses increased \$.3 million due to a change in their allocation percentage of the same postemployment benefits.

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 \$104.3 million under budget. Approximately half of this amount was due to \$53.2 million of ending fund balance budgeted but not spent in the Contingency category. Other categories such as instruction, instructional staff support services, and plant operations and maintenance came in less than budget due to staff temporary vacancies, conservative budgeting, and large construction projects still in progress. As a whole, our General Fund decreased fund balance by \$9.8 million. As discussed further in the Local Economic Outlook section on page 13, the local economy is in a period of steady growth.

For the Special Revenue Fund, the fund balance decreased by \$1.0 million due to a \$7.8 million decrease of Grants from local agencies and donors due to completed grants. Also the Grants from the United States government decreased \$12.0 million because of the end of the Head Start grant as the District focused on the core K-12 mission. Overall, expenses decreased by \$23.6 million for many of the same reasons that revenue also decreased, reduced funding and eliminated programs.

Our Construction Fund experienced a \$50.8 million increase during the year, as we funded numerous large projects with a bond sold in June 2019. The Building Fund decreased \$5.3 million during the year as funds were utilized for priority renovation projects during the 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, 2019



Capital Assets and Debt Administration

Capital Assets

At the end of June 30, 2019, the District's investment in capital assets for its governmental and business-type activities was \$744.8 million, representing a decrease of \$23.4 million (net of depreciation), as shown in the following tables:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Percent Change</u>
Governmental activities:			
Land	\$ 29,245,165	\$ 29,245,165	0.0%
Land improvements	44,330,825	42,258,624	4.9%
Buildings and improvements	1,303,932,636	1,295,133,281	0.7%
Technology	93,186,199	95,956,210	-2.9%
Buses and vehicles	104,897,126	106,903,884	-1.9%
Furniture, fixtures and other	63,255,127	59,626,325	6.1%
Construction in progress	<u>25,900,633</u>	<u>25,855,619</u>	0.2%
 Total	 1,664,747,711	 1,654,979,108	 0.6%
Less: accumulated depreciation	<u>939,357,417</u>	<u>906,525,858</u>	3.6%
 Governmental assets net of depreciation	 <u>\$ 725,390,294</u>	 <u>\$ 748,453,250</u>	 -3.1%

The District has prioritized renovating its schools in recent years. During the 2018-19 year, fewer of the District's building renovations were put into service compared to the amount depreciated. However, 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, 2019



	<u>June 30, 2019</u>	<u>June 30, 2018</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	1,405,026	1,405,621	0.0%
Buses and vehicles	2,114,920	2,114,920	0.0%
Furniture, fixtures and other	<u>30,015,521</u>	<u>29,113,319</u>	3.1%
Total	51,570,816	50,669,209	1.8%
Less: accumulated depreciation	<u>32,144,053</u>	<u>30,941,498</u>	3.9%
Business-type assets net of depreciation	<u>\$ 19,426,763</u>	<u>\$ 19,727,711</u>	-1.5%
Total Capital Assets Governmental and Business-type activities	<u>\$744,817,057</u>	<u>\$768,180,961</u>	-3.0%

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, 2019, 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 \$452.2 million in outstanding debt, compared to \$403.9 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, 2019



Local Economic Outlook

The District is enjoying a period of growth in our economy-driven revenues, such as a 2.1% increase in occupational license taxes which are based on net profits and salaries paid within our jurisdiction. This marks the ninth consecutive year occupational license taxes have increased. Additionally, Jefferson County property valuation assessments have shown 4.7% growth for the 2019-2020 school year, continuing to grow for the ninth 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. Additional growth has followed the completion of two additional Ohio River bridges in 2015 and 2016, the new Omni Louisville Hotel downtown in 2018, and the completed major renovation of the Kentucky International Convention Center in 2018. This diversified growth positions Jefferson County well and is one reason why our unemployment rate is at 4.3% 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, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 208,902,675	\$ 10,132,473	\$ 219,035,148
Investments	113,067,630		113,067,630
Accounts receivable	41,476,385	7,640,630	49,117,015
Prepaid expenses	2,423,932		2,423,932
Inventories	3,036,668	2,259,060	5,295,728
Internal balances	13,252,817	(13,252,817)	
Land and other nondepreciable assets	55,145,798	1,000,000	56,145,798
Capital assets, net of depreciation	670,244,496	18,426,763	688,671,259
Total Assets	1,107,550,401	26,206,109	1,133,756,510
Deferred Outflows of Resources			
Difference between actual and expected experience	13,918,509	1,464,424	15,382,933
Changes in assumptions	70,751,825	7,444,095	78,195,920
Deferred pension contributions after measurement date	37,563,431	3,952,205	41,515,636
Total Deferred Outflows	122,233,765	12,860,724	135,094,489
Liabilities			
Accrued liabilities	132,569,149	685,783	133,254,932
Accrued interest payable	3,394,438		3,394,438
Current maturities of			
worker's compensation claims	1,719,670		1,719,670
accrued vacation pay	1,251,541		1,251,541
accrued sick leave	595,021		595,021
school building revenue bonds	30,205,000		30,205,000
Long-term maturities of			
worker's compensation claims	25,527,347		25,527,347
accrued vacation pay	6,196,903		6,196,903
accrued sick leave	37,069,800		37,069,800
school building bonds	421,952,133		421,952,133
Net pension liability	426,723,043	44,897,314	471,620,357
Net post-employment benefits liabilities	430,248,348	45,268,228	475,516,576
Total Liabilities	1,517,452,393	90,851,325	1,608,303,718
Deferred Inflows of Resources			
Difference between projected and actual earnings on plan investments	14,930,171	1,570,865	16,501,036
Change in proportionate share	4,011,144	422,029	4,433,173
Difference between actual and expected experience	36,408,916	3,830,734	40,239,650
Changes in assumptions	287,417	30,241	317,658
Deferred savings from refunding bonds	2,913,501		2,913,501
Total Deferred Inflows	58,551,149	5,853,869	64,405,018
Net Position			
Net investment in capital assets	334,282,855	19,426,763	353,709,618
Restricted for			
Capital projects and construction	165,768,075		165,768,075
Grants and Awards	9,191,713		9,191,713
Unrestricted (Deficit)	(855,462,019)	(77,065,124)	(932,527,143)
Total Net Position	\$ (346,219,376)	\$ (57,638,361)	\$ (403,857,737)

See Notes to Financial Statements

Statement of Activities

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2019

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	\$ 864,509,475	\$ 508,252	\$ 83,432,587		\$ (780,568,636)
Student support services	69,122,283				(69,122,283)
Instructional staff support services	184,473,830				(184,473,830)
District administrative support services	9,417,079				(9,417,079)
School administrative support services	127,163,050				(127,163,050)
Business support services	65,847,780				(65,847,780)
Plant operations and maintenance	118,239,225			\$ 10,982,285	(107,256,940)
Transportation	124,412,708				(124,412,708)
Community services	28,399,457				(28,399,457)
Other instructional support services	64,987				(64,987)
Other	539,714				(539,714)
Interest	16,106,729				(16,106,729)
Total governmental activities	1,608,296,317	508,252	83,432,587	10,982,285	(1,513,373,193)
Business-type activities					
School food services	72,200,866	3,023,797	62,846,921		(6,330,148)
Adult education	171,152	183,017	31,525		43,390
Enterprise Programs	141,308	57,976	3,521		(79,811)
Tuition-based pre-school	707,730	742,039	219,651		253,960
Day care operations	(435,894)	7,034	293,684		736,612
Total business-type activities	72,785,162	4,013,863	63,395,302		(5,375,997)
Total Activities	\$ 1,681,081,479	\$ 4,522,115	\$ 146,827,889	\$ 10,982,285	\$ (1,518,749,190)
Changes in net position		Government Activities	Business-Type Activities	Total	
Net Expense		\$ (1,513,373,193)	\$ (5,375,997)	\$ (1,518,749,190)	
General revenues					
Taxes					
Property taxes		480,070,360		480,070,360	
Occupational taxes		165,754,818		165,754,818	
Other taxes		56,671,549		56,671,549	
State sources					
SEEK program		256,564,394		256,564,394	
Other state revenues and grants		455,839,757		455,839,757	
Interest and investment earnings		7,473,913	175,970	7,649,883	
Miscellaneous		21,100,757		21,100,757	
Total general revenues		1,443,475,548	175,970	1,443,651,518	
Transfers, net		(3,067,836)	3,067,836		
Change in net position		(72,965,481)	(2,132,191)	(75,097,672)	
Net position, beginning of year		(273,253,895)	(55,506,170)	(328,760,065)	
Net position, end of year		\$ (346,219,376)	\$ (57,638,361)	\$ (403,857,737)	

See Notes to Financial Statements

Balance Sheet - Governmental Funds

Board of Education of Jefferson County, Kentucky

June 30, 2019

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 138,282,822		\$ 70,619,853		\$ 208,902,675
Investments	113,067,630				113,067,630
Accounts and grants receivable	28,873,485	\$ 12,550,533		\$ 52,367	41,476,385
Prepaid expenditures	2,423,932				2,423,932
Inventories	3,036,668				3,036,668
Due from other funds	46,947,221	11,932,894	53,808,928	7,613,496	120,302,539
Total Assets	\$ 332,631,758	\$ 24,483,427	\$ 124,428,781	\$ 7,665,863	\$ 489,209,829
Liabilities					
Accrued liabilities	\$ 126,421,493	\$ 1,454,106	\$ 8,011,738	\$ 248,042	\$ 136,135,379
Due to other funds	74,419,536	13,837,608	18,792,578		107,049,722
Total Liabilities	200,841,029	15,291,714	26,804,316	248,042	243,185,101
Fund Balances					
Nonspendable	5,460,600				5,460,600
Restricted		9,191,713	97,624,465	7,417,821	114,233,999
Committed	36,000,000				36,000,000
Assigned	16,244,256				16,244,256
Unassigned	74,085,873				74,085,873
Total Fund Balances	131,790,729	9,191,713	97,624,465	7,417,821	246,024,728
Total Liabilities and Fund Balances	\$ 332,631,758	\$ 24,483,427	\$ 124,428,781	\$ 7,665,863	\$ 489,209,829

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

Total Governmental Fund Balances	\$ 246,024,728
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets are not financial resources and are not reported in the fund financial statements.	725,390,294
Bonds are noncurrent liabilities and are excluded from the fund financial statements.	(452,157,133)
Savings from refunding bonds are not current and are not reported in the fund financial statements.	(2,913,501)
Long-term workers compensation liability is noncurrent and is excluded from the fund financial statements.	(25,527,347)
Long-term vacation pay liability is noncurrent and is excluded from the fund financial statements.	(6,196,903)
Long-term sick leave liability is noncurrent and is excluded from the fund financial statements.	(37,069,800)
Bond interest payable is a noncurrent liability and is excluded from the fund financial statements.	(3,394,438)
Net pension liability is noncurrent and is excluded from the fund financial statements.	(426,723,043)
Deferred outflows related to employee pension plans are excluded from the fund financial statements.	103,829,639
Deferred inflows related to pension plans are excluded from the fund statements.	(33,416,960)
Net other post-employment benefits liability is noncurrent and is excluded from the fund financial statements.	(430,248,348)
Deferred outflows related to other post-retirement employee benefits are excluded from the fund financial statements.	38,247,066
Deferred inflows related to other post-retirement employee benefits are excluded from the fund financial statements.	(42,063,630)
Net Position of Governmental Activities	\$ (346,219,376)

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

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 442,127,249			\$ 37,943,111	\$ 480,070,360
Occupational taxes	165,754,818				165,754,818
Other taxes	56,671,549				56,671,549
Grants from local agencies and donors		\$ 4,216,634			4,216,634
State sources					
SEEK program	247,934,805			8,629,589	256,564,394
Other state revenues	304,164,747	31,675,825			335,840,572
KSFCC allocation				10,982,285	10,982,285
Grants from the United States government		79,215,953			79,215,953
Interest	7,371,642	30,934	\$ 71,337		7,473,913
Other sources	10,936,241	24,482		7,076,189	18,036,912
Total Revenues	1,234,961,051	115,163,828	71,337	64,631,174	1,414,827,390
Expenditures					
Instruction	696,775,984	63,236,081		3,629,301	763,641,366
Student support services	64,333,903	3,827,636			68,161,539
Instructional staff support services	104,439,256	36,402,816			140,842,072
District administrative support services	6,651,351	162,874			6,814,225
School administrative support services	114,442,496	584,676			115,027,172
Business support services	45,181,438	640,797			45,822,235
Plant operations and maintenance	116,359,814	1,010,374		68,179	117,438,367
Transportation	87,360,599	1,831,490			89,192,089
Community services	2,954,223	8,129,613			11,083,836
Other instructional support services	47,026	17,961			64,987
Building renovations	1,159,222		53,010,838		54,170,060
Other	23,904	2,264,215	497,067		2,785,186
Debt service					
Principal				35,151,226	35,151,226
Interest				16,569,151	16,569,151
Total Expenditures	1,239,729,216	118,108,533	53,507,905	55,417,857	1,466,763,511

Continued

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

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues in Excess of (Less Than) Expenditures	(4,768,165)	(2,944,705)	(53,436,568)	9,213,317	(51,936,121)
Other Financing Sources (Uses)					
Proceeds of school building revenue bonds			84,485,000		84,485,000
Premiums on bonds sold			5,877,974		5,877,974
Transfers to Proprietary Funds	(3,072,836)	5,000			(3,067,836)
Transfers in	150,241	2,065,995	16,609,998	38,116,196	56,942,430
Transfers out	(2,065,995)	(150,241)	(2,772,114)	(51,954,080)	(56,942,430)
Total Other Financing Sources (Uses)	(4,988,590)	1,920,754	104,200,858	(13,837,884)	87,295,138
Net Change in Fund Balances	(9,756,755)	(1,023,951)	50,764,290	(4,624,567)	35,359,017
Fund Balances, Beginning of Year	141,547,484	10,215,664	46,860,175	12,042,388	210,665,711
Fund Balances, End of Year	<u>\$ 131,790,729</u>	<u>\$ 9,191,713</u>	<u>\$ 97,624,465</u>	<u>\$ 7,417,821</u>	<u>\$ 246,024,728</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	\$ 35,359,017
<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.	96,827,272
Dispositions of capital assets are reflected on the statement of activities.	(66,320,628)
Capital asset use is expensed as depreciation on the statement of activities.	(53,569,600)
Bond principal payments are recorded as a reduction of a liability on the statement of net position.	35,151,226
Bonds issued are capitalized on the statement of net position.	(84,514,358)
Capitalized savings from bond refundings must be amortized over the remaining life of the bonds.	662,375
Bond interest payable is reflected on the full accrual basis on the statement of net position.	462,422
Long-term workers compensation liability increased on the district-wide financial statements.	(146,468)
Long-term vacation payable increased on the district-wide financial statements.	171,386
Long-term sick leave payable decreased on the district-wide financial statements.	775,545
Pension expense represents the cost of providing long-term benefits on the statement of activities.	(17,511,503)
Changes in deferred outflows related to pension plans are long-term in nature and are on the district-wide statement of activities.	(25,213,287)
Changes in deferred inflows related to pension plans are long-term in nature and are on the district-wide statement of activities.	9,875,722
Changes in deferred outflows related to other post-retirement employee benefits and are on the district-wide statement of activities.	793,384
Changes in deferred inflows related to other post-retirement employee benefits and are on the district-wide statement of activities.	(30,658,557)
Expenses related to other post-retirement employee benefits represents long-term employment costs on the statement of activities.	24,890,571
Change in Net Position of Governmental Activities	<u>\$ (72,965,481)</u>

See Notes to the Financial Statements

Statement of Net Position - Proprietary Funds
Board of Education of Jefferson County, Kentucky
June 30, 2019

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 9,805,398	\$ 327,075	\$ 10,132,473
Accounts receivable	7,640,630		7,640,630
Inventories	2,259,060		2,259,060
Due from other funds		1,064,218	1,064,218
Total Current Assets	19,705,088	1,391,293	21,096,381
Capital Assets , net of accumulated depreciation	19,426,763		19,426,763
Total Assets	39,131,851	1,391,293	40,523,144
Deferred Outflows of Resources			
Difference between actual and expected experience	1,439,375	25,049	1,464,424
Difference between projected and actual earnings on plan investments	2,052,047	35,712	2,087,759
Changes in assumptions	7,316,761	127,334	7,444,095
Pension contributions after measurement date	3,884,601	67,604	3,952,205
Total Deferred Outflows of Resources	14,692,784	255,699	14,948,483
Liabilities			
Current Liabilities			
Accrued liabilities	684,900	883	685,783
Due to other funds	14,210,903	106,132	14,317,035
Total Current Liabilities	14,895,803	107,015	15,002,818
Noncurrent Liabilities			
Unfunded pension liabilities	44,129,328	767,986	44,897,314
Unfunded post-employment benefits liabilities	44,493,896	774,332	45,268,228
Total Liabilities	103,519,027	1,649,333	105,168,360
Deferred Inflows of Resources			
Differences between projected and actual earnings on plan investments	3,596,042	62,582	3,658,624
Differences between actual and expected experience	3,765,208	65,526	3,830,734
Changes in assumptions	29,723	518	30,241
Change in proportionate share	414,810	7,219	422,029
Total Deferred Inflows of Resources	7,805,783	135,845	7,941,628
Net Position			
Net investment in capital assets	19,426,763		19,426,763
Unrestricted	(76,926,938)	(138,186)	(77,065,124)
Total Net Position	\$ (57,500,175)	\$ (138,186)	\$ (57,638,361)

Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2019

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Total
Operating Revenues			
Lunchroom sales	\$ 3,023,797		\$ 3,023,797
Tuition and fees		\$ 990,066	990,066
Total Operating Revenues	3,023,797	990,066	4,013,863
Operating Expenses			
Salaries and personnel services	19,781,700	864,885	20,646,585
Employee benefits	13,046,659	(475,150)	12,571,509
Purchased professional services	214,658	100,581	315,239
Purchased property and maintenance services	4,264,183	6,750	4,270,933
Other purchased services	149,159	2,943	152,102
Supplies and materials	28,875,337	30,125	28,905,462
Property	107,479	49,394	156,873
Miscellaneous	90,336	4,768	95,104
Depreciation	2,014,414		2,014,414
Total Operating Expenses	68,543,925	584,296	69,128,221
Income (Loss) From Operations	(65,520,128)	405,770	(65,114,358)
Non-Operating Revenues (Expenses)			
Federal grants	54,592,235		54,592,235
State grants	499,313		499,313
Other state revenue	4,346,901	548,381	4,895,282
Donated commodities	3,408,472		3,408,472
Interest income	170,812	5,158	175,970
Indirect costs	(3,656,941)		(3,656,941)
Total Non-Operating Revenues (Expenses)	59,360,792	553,539	59,914,331
Transfers			
Transfers to other funds		(5,000)	(5,000)
Transfers from other funds	2,979,945	92,891	3,072,836
Total Transfers	2,979,945	87,891	3,067,836
Change in Net Position	(3,179,391)	1,047,200	(2,132,191)
Net Position, Beginning of Year	(54,320,784)	(1,185,386)	(55,506,170)
Net Position, End of Year	<u>\$ (57,500,175)</u>	<u>\$ (138,186)</u>	<u>\$ (57,638,361)</u>

See Notes to Financial Statements

Statement of Cash Flows - Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2019

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Totals
Cash Flows From Operating Activities			
Cash received from customers	\$ 3,023,797	\$ 917,235	\$ 3,941,032
Cash paid to suppliers	(17,846,086)	14,137	(17,831,949)
Cash paid to employees	(30,333,627)	(1,274,930)	(31,608,557)
Cash paid for other expenses	(304,994)	(105,349)	(410,343)
Net Cash Used in Operating Activities	(45,460,910)	(448,907)	(45,909,817)
Cash Flows From Investing Activities			
Interest income	170,812	5,158	175,970
Net Cash Provided By Investing Activities	170,812	5,158	175,970
Cash Flows From Capital and Related Financing Activities			
Additions to capital assets	(1,713,466)		(1,713,466)
Disposals of capital assets	(13,663)		(13,663)
Payments of school building revenue bonds	(1,113,962)		(1,113,962)
Net Cash Used in Capital and Related Financing Activities	(2,841,091)		(2,841,091)
Cash Flows from Noncapital Financing Activities			
Cash used for operational grant required match	(3,643,278)	(5,000)	(3,648,278)
Cash received for operational grants	52,260,675	548,381	52,809,056
Net Cash Provided by Noncapital Financing Activities	48,617,397	543,381	49,160,778
Increase in Cash and Cash Equivalents	486,208	99,632	585,840
Cash and Cash Equivalents, Beginning of Year	9,319,190	227,294	9,546,484
Cash and Cash Equivalents, End of Year	<u>\$ 9,805,398</u>	<u>\$ 326,926</u>	<u>\$ 10,132,324</u>

Continued

Statement of Cash Flows - Proprietary Funds--Continued
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2019

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Totals
Reconciliation of Loss from Operations to Net Cash Provided by (Used in) Operating Activities			
Income (Loss) from operations	\$ (65,520,128)	\$ 405,770	\$ (65,114,358)
Adjustments to reconcile loss from operations to cash provided by (used in) operating activities:			
Depreciation	2,014,414		2,014,414
Donated commodities	3,408,472		3,408,472
Transfers	2,979,945	92,891	3,072,836
Change in operational accounts receivable		8,319	8,319
Change in amounts due from other funds		(174,041)	(174,041)
Change in inventories	224,454		224,454
Change in deferred outflows	2,838,823	254,859	3,093,682
Change in amounts due to other funds	8,666,427	105,983	8,772,410
Change in accrued liabilities	270,774	(2,634)	268,140
Change in deferred inflows	2,046,269	(31,884)	2,014,385
Change in unfunded postemployment benefits liability	(3,430,903)	(621,306)	(4,052,209)
Change in unfunded pension liability	1,040,543	(486,864)	553,679
Net Cash Used in Operating Activities	<u>\$ (45,460,910)</u>	<u>\$ (448,907)</u>	<u>\$ (45,909,817)</u>

Summary of Noncash Financing Activity

Donated commodities from the US Dept of Agriculture	\$ 3,408,472
District facilities support -- rent forgiven on cafeteria	\$ 2,979,945
Depreciation	\$ 2,014,414

Statement of Net Assets

**Jefferson County Public Education Foundation, a Major Component Unit of
the Board of Education of Jefferson County, Kentucky**

June 30, 2019

	<u>Total</u>
Assets	
Cash and cash equivalents	\$ 1,022,756
Investments	<u>1,309,094</u>
Total Assets	<u>\$ 2,331,850</u>
Net Assets	
Without donor restrictions	\$ 60,072
With donor restrictions	<u>2,271,778</u>
Total Net Assets	<u>\$ 2,331,850</u>

Statement of Revenues, Expenses and Changes in Net Assets

Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Revenues			
Contributions	\$ 60,904	\$ 633,050	\$ 693,954
Net investment income	106	111,569	111,675
Net assets released from restriction	<u>704,397</u>	<u>(704,397)</u>	
Total Operating Revenues	765,407	40,222	805,629
Operating Expenses			
Program services	701,568		701,568
Management and general	52,147		52,147
Fundraising	<u>5,000</u>		<u>5,000</u>
Total Operating Expenses	<u>758,715</u>		<u>758,715</u>
Change in Net Assets	6,692	40,222	46,914
Net Assets, Beginning of Year	<u>53,380</u>	<u>2,231,556</u>	<u>2,284,936</u>
Net Assets, End of Year	<u>\$ 60,072</u>	<u>\$ 2,271,778</u>	<u>\$ 2,331,850</u>

See Notes to Financial Statements

Statement of Fiduciary Net Position
Board of Education of Jefferson County, Kentucky
June 30, 2019

	<u>Total Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 5,139,673
Investments	681,367
Accounts receivable	761,541
Inventories	<u>287,518</u>
Total Assets	<u><u>\$ 6,870,099</u></u>
Liabilities	
Accrued liabilities	\$ 111,015
Due to student groups	<u>6,759,084</u>
Total Liabilities	<u><u>\$ 6,870,099</u></u>

See Notes to Financial Statements

Notes to the Financial Statements

For the Year Ended June 30, 2019



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, 2019



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 14-15.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note A—Summary of Significant Accounting Policies—Continued

Component Unit--The Jefferson County Public Education Foundation (JCPEF) is a 501(c)(3) public charity whose predominate mission is to support Jefferson County Public Schools, its students, and its staff. It maintains separate accounting records with full financial authority and a completely independent Board. As the only component unit, it qualifies as major and is reported as a separate financial statement of major component units. JCPEF maintains its financial records using the modified cash basis. These records have been audited separately and a copy of their financial statements can be obtained at Jefferson County Public Education Foundation, VanHoose Education Center, 3332 Newburg Road, Louisville, KY, 40218.

JCPEF reports net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of JCPEF and changes therein are classified and reported as follows:

Without donor restriction – The portion of expendable funds available for support in the operation of JCPEF.

With donor restrictions – Net assets subject to donor-imposed stipulations. These net assets include those that may or will be met either by actions of JCPEF and/or the passage of time and also include \$1,216,488 permanent endowment funds.

JCPEF maintains cash in a bank account insured by FDIC insured account. When balances exceeded FDIC limits, excess amounts exposed to credit risk were secured by United States Treasury repurchase agreements. Investments remain subject to custodial credit risk, interest rate risk, and concentration of credit risk as outlined in Note B. All investments have been measured and reported at fair value according to the hierarchy explained in Note B:

Component Unit Investments by Fair Value Level	6/30/2019	Quoted Prices in Active Markets for Identical Assets - Level 1	Significant Other Observable Inputs - Level 2	Significant Other Unobservable Inputs - Level 3
Treasury notes	\$ 70,602		\$ 70,602	
Corporate bonds	284,221		284,221	
Mutual funds - fixed	23,157	\$ 23,157		
Equities	609,378	609,378		
Mutual funds - equity	111,138	111,138		
Exchange traded funds	210,598	210,598		
Total Investments	<u>\$ 1,309,094</u>	<u>\$ 954,271</u>	<u>\$ 354,823</u>	

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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note A—Summary of Significant Accounting Policies—Continued

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, 2019



Note A—Summary of Significant Accounting Policies--Continued

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

Category	Definition	District Purpose
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

Category	District Purpose	General Fund	Special Revenue Fund	Construction Fund	Nonmajor Funds	Purpose Total
Nonspendable	Prepaid expenses	2,423,932				2,423,932
	Inventory on hand	3,036,668				3,036,668
Restricted	Grant or donor-directed funds		9,191,713		3,237,406	12,429,119
	Bond proceeds			97,624,465		97,624,465
	Funds governed by specific state laws				4,180,415	4,180,415
Committed	Cash flows protection	36,000,000				36,000,000
Assigned	Encumbered purchase orders	16,244,256				16,244,256
Unassigned	Funds available for future operations	74,085,873				74,085,873

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, 2019



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:

	2018-19	2017-18
Health insurance	\$ 111,075,625	\$ 110,876,771
KTRS employer match	194,936,251	192,083,132
HRA, dental, vision, and life insurance	4,800,009	5,003,501
State administration fee	1,455,173	1,460,528
Reimbursement from federal programs	(5,958,434)	(6,957,275)
State facility construction support	10,982,285	10,808,651
Technology systems	670,374	648,952
	<u>\$ 317,961,283</u>	<u>\$ 313,924,260</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, 2019



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.

	<u>Due from other Funds Reported in General Fund</u>	<u>Due to other Funds Reported in General Fund</u>
Special Revenue Fund	\$ 13,837,608	\$ 11,932,894
Construction Fund	18,792,578	53,808,928
Nonmajor Governmental Funds		7,613,496
Food Service Fund	14,210,903	
Nonmajor Enterprise Funds	<u>106,132</u>	<u>1,064,218</u>
	<u>\$ 46,947,221</u>	<u>\$ 74,419,536</u>

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



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:

	Transfers from other funds	Transfers to other funds
General Fund	\$ 150,241	\$ 5,138,831
Special Revenue Fund	2,070,995	150,241
Construction Fund	16,609,998	2,772,114
Nonmajor Governmental Funds	38,116,196	51,954,080
Food Service Fund	2,979,945	
Nonmajor Enterprise Funds	92,891	5,000
	<u>\$ 60,020,266</u>	<u>\$ 60,020,266</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, 2019



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, 2019, 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	U.S. Treasuries	\$ 50,015,439	Aaa	0.16
	Federal Agencies	63,052,191	Aaa	1.99
Agency	Certificates of Deposit	<u>681,367</u>		0.99
		<u>\$ 113,748,997</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, 2019



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, 2019, the District had \$1,500,000 of deposits insured by the Federal Depositors Insurance Corporation and \$226,365,023 of deposits that were uninsured but collateralized by securities held in the District's name and \$67,840 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>6/30/2019</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	\$ 681,367		\$ 681,367	
U.S. Treasuries	50,015,439	\$ 50,015,439		
U.S. Agency Obligations	63,052,191	63,052,191		
Total Debt Securities	<u>\$ 113,748,997</u>	<u>\$ 113,067,630</u>	<u>\$ 681,367</u>	

Notes to the Financial Statements

For the Year Ended June 30, 2019



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	Governmental Funds	Proprietary Funds	Total
Accounts receivable	\$ 5,621,319	\$7,640,630	\$ 13,261,949
Taxes receivable	23,304,533		23,304,533
Grants receivable	12,550,533		12,550,533
	<u>\$ 41,476,385</u>	<u>\$7,640,630</u>	<u>\$ 49,117,015</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, 2019



Note D—Capital Assets

Activity in capital assets during the year ended June 30, 2019 consisted of the following:

	Balance June 30, 2018	Additions	Dispositions	Balance June 30, 2019
Governmental Activities				
Land	\$ 29,245,165			\$ 29,245,165
Construction in progress	25,855,619	\$ 66,464,743	\$66,419,729	25,900,633
	<u>\$ 55,100,784</u>	<u>\$ 66,464,743</u>	<u>\$66,419,729</u>	<u>\$ 55,145,798</u>
Land improvements	\$ 42,258,624	\$ 2,154,572	\$ 82,371	\$ 44,330,825
Buildings & building improvements	1,295,133,281	9,022,340	222,985	1,303,932,636
Technology equipment	95,956,210	10,660,868	13,430,879	93,186,199
Vehicles	106,903,884	3,419,227	5,425,985	104,897,126
General equipment	59,626,325	5,105,522	1,476,720	63,255,127
	<u>1,599,878,324</u>	<u>30,362,529</u>	<u>20,638,940</u>	<u>1,609,601,913</u>
Less Accumulated Depreciation				
Land improvements	27,622,716	1,444,420	56,244	29,010,892
Buildings & building improvements	693,591,021	33,086,046	920,006	725,757,061
Technology equipment	73,388,510	9,255,093	13,171,144	69,472,459
Vehicles	77,962,939	6,183,906	5,387,174	78,759,671
General equipment	33,960,672	3,600,135	1,203,473	36,357,334
	<u>906,525,858</u>	<u>53,569,600</u>	<u>20,738,041</u>	<u>939,357,417</u>
	<u>\$ 748,453,250</u>	<u>\$ 43,257,672</u>	<u>\$66,320,628</u>	<u>\$ 725,390,294</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, 2019



Note D—Capital Assets—Continued

	Balance June 30, 2018	Additions	Dispositions	Balance June 30, 2019
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	1,405,621	\$ 107,250	\$ 107,845	1,405,026
Vehicles	2,114,920			2,114,920
General equipment	29,113,319	1,653,081	750,879	30,015,521
	50,669,209	1,760,331	858,724	51,570,816
Less Accumulated Depreciation				
Land improvements	1,047	237		1,284
Buildings & building improvements	6,473,698	341,441		6,815,139
Technology equipment	1,026,841	128,122	107,845	1,047,118
Vehicles	1,661,281	152,967		1,814,248
General equipment	21,778,631	1,391,647	704,014	22,466,264
	30,941,498	2,014,414	811,859	32,144,053
	<u>\$ 19,727,711</u>	<u>\$ (254,083)</u>	<u>\$ 46,865</u>	<u>\$ 19,426,763</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, 2019



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	\$ 43,795,384
Student Support Services	1,362
Staff Support Services	2,458
District Administrative Support Services	2,520,140
Business Support Services	17,056
Plant Operation and Maintenance	811,283
Student Transportation	6,343,316
Community Service Operations	<u>78,601</u>
	<u>\$ 53,569,600</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	\$ 725,390,294	\$ 19,426,763
Less: School building revenue bonds	(452,157,133)	
Less: Deferred savings from refunding bonds	(2,913,501)	
Add: Bond proceeds not yet spent on capital projects	<u>63,963,195</u>	
	<u>\$ 334,282,855</u>	<u>\$ 19,426,763</u>

Notes to the Financial Statements

For the Year Ended June 30, 2019



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	11,815,000
2008	Series B QZAB, non-interest bearing and full bond liability due at maturity in December 2022	5,200,000	5,200,000
2010	Series A, interest rates ranging from 3.25% to 3.5%, principal and interest payable semiannually on October 1 and April 1, with maturities through 2021	13,705,000	4,290,000
2010	Series B, interest rates ranging from 2.25% to 2.5%, principal and interest payable semiannually on June 1 and December 1, with maturities through 2022	16,170,000	9,500,000
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	11,183,936
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	4,243,197
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	9,740,000
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	10,460,000
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	11,155,000
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	26,235,000

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note E—Long-Term Liabilities--Continued

		<u>Original</u>	<u>Outstanding</u>
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 June 2025	22,860,000	20,750,000
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	28,855,000
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	29,565,000
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	41,170,000
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	6,510,000
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	14,275,000
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	32,860,000
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	14,505,000
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	38,080,000
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	6,015,000
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	31,265,000

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note E—Long-Term Liabilities—Continued

		<u>Original</u>	<u>Outstanding</u>
2018	Series A, interest rates ranging from 3% to 5% with principal and interest payable semiannually on April 1 and October 1, with maturities through October 2038	29,625,000	29,625,000
2019	Series A, interest rates ranging from 3% to 5% with principal and interest payable semiannually on December 1 and June 1, with maturities through June 2037	54,860,000	54,860,000
		<u>594,905,000</u>	<u>452,157,133</u>

Bonds outstanding as of June 30, 2019, 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	<u>\$30,205,000</u>	<u>\$421,952,133</u>	<u>\$ 452,157,133</u>

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	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	2018 Series A October 2026
2010 Series C November 2020	2013 Series A June 2023	2015 Series B December 2026	2019 Series A June 2026
2011 Series A June 2021	2013 Series B July 2023	2015 Series C December 2025	
2012 Series A June 2022	2013 Series C November 2023	2016 Series A July 2026	

Bondholders are protected against default by a mechanism whereby the Commonwealth of Kentucky would withhold state SEEK payments and remit required debt service payments directly to the debt service paying agent.

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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note E—Long-Term Liabilities--Continued

Assuming no issues are called prior to scheduled maturity and continued Commission participation, the minimum obligations of the District at June 30, 2019 for debt service is as follows:

Year Ending June 30	Principal	Interest	Total Repayments	Less: Commission Participation	Net Repayments
2020	30,205,000	15,302,095	45,507,095	10,257,913	35,249,182
2021	30,695,000	14,433,515	45,128,515	9,878,203	35,250,312
2022	32,535,000	13,432,785	45,967,785	8,862,645	37,105,140
2023	33,940,000	12,292,475	46,232,475	8,863,756	37,368,719
2024	30,120,000	11,285,789	41,405,789	8,864,670	32,541,119
2025-2029	143,118,197	39,768,309	182,886,506	32,333,828	150,552,678
2030-2034	121,678,936	16,593,088	138,272,024	24,284,582	113,987,442
2035-2039	29,865,000	1,983,130	31,848,130	9,681,143	22,166,987
TOTAL	\$ 452,157,133	\$ 125,091,186	\$ 577,248,319	\$ 113,026,740	\$ 464,221,579

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, 2019, 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 \$42,437,225.

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.

Qualified Zone Academy Bonds--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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note E—Long-Term Liabilities—Continued

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, 2019. 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. The majority of these payments are charged to General Fund, Special Revenue Fund, and School Food Services Fund.

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. The majority of these payments are charged to General Fund, Special Revenue Fund, and School Food Services Fund.

Activity in long-term liabilities during the year ended June 30, 2019 consisted of the following:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities:					
School building revenue bonds	\$402,794,001	\$ 84,485,000	\$35,121,868	\$ 452,157,133	\$ 30,205,000
Estimated liability for workers' compensation benefits	26,128,563	7,867,637	6,749,183	27,247,017	1,719,670
Accrued vacation pay	7,506,479	5,338,833	5,396,868	7,448,444	1,251,541
Accrued sick leave	38,254,770	8,588,829	9,178,778	37,664,821	595,021
	<u>\$474,683,813</u>	<u>\$ 106,280,299</u>	<u>\$56,446,697</u>	<u>\$ 524,517,415</u>	<u>\$ 33,771,232</u>
Business-type Activities:					
School building revenue bonds	<u>\$ 1,113,962</u>		<u>\$ 1,113,962</u>		

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note E—Long-Term Liabilities—Continued

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.

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, 2019



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, 2019



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, 2019, 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	\$ 471,620,358
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Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>2,481,543,345</u>
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	<u><u>\$ 2,953,163,703</u></u>
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The net pension liability for each plan was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



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, 2018, the District's proportion was 7.743789% percent.

For the year ended June 30, 2019, the District recognized pension expense of \$71,577,444 related to CERS and \$299,805,957 related to KTRS, of which \$179,806,772 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 \$299,805,957 for KTRS support provided by the State. As of the June 30, 2018 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	\$15,382,933	\$ 6,903,522
Changes of assumptions	46,091,026	
Net difference between projected and actual earnings on pension plan investments		5,654,990
Changes in proportion and differences between District contributions and proportionate share of contributions		2,443,686
District contributions subsequent to the measurement date	<u>31,349,330</u>	
Total	<u>\$92,823,289</u>	<u>\$ 15,002,198</u>

\$31,349,330 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, 2020. 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:	
2020	\$ 36,060,123
2021	18,440,572
2022	(5,497,666)
2023	(2,531,268)
2024	-
Thereafter	-

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



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:

	CERS	KTRS
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, 2019



Note F—Retirement Plans--Continued

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

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 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made 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 3.89% 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, 2019



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	\$ 593,721,180	\$ 471,620,358	\$ 369,321,212
KTRS	6.50%	7.50%	8.50%
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, 2019, employees of the District contributed \$1,825,992 to 401(k) plans and \$8,039,469 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 \$2,131,541 to these plans during the fiscal year ended June 30, 2019.

Notes to the Financial Statements

For the Year Ended June 30, 2019



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, 2019, the District reported a liability of \$137,485,575 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 7.744%.

The District recognized \$137,485,575 as its proportionate share of net OPEB liability associated with its employees participating in CERS as of June 30, 2019.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note H—Postemployment Benefits—Continued

For the year ended June 30, 2019, the District recognized OPEB expense of \$17,539,945. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 27,457,893	\$ 317,657
Contributions after measurement date	10,166,306	
Difference between expected and actual experience		16,022,127
Difference between projected and actual earnings on OPEB plan investments		9,470,045
Change in proportionate share		894,487

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, 2020. 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, 2018 plan year, the estimated remaining service life was 6.30 years. These items will be recognized in the District's OPEB expense as follows:

<u>Year ended June 30</u>	
2020	\$ 307,392
2021	307,392
2022	307,392
2023	2,146,639
2024	(1,376,122)
Thereafter	\$ (939,101)

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



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		3.62%
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 5.85%. 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, 2019



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

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
CERS discount rate	4.85%	5.85%	6.85%
Net OPEB Liability	\$ 178,571,730	\$ 137,485,575	\$ 102,487,691

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	\$ 178,571,730	\$ 137,485,575	\$ 102,487,691

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, 2019



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, 2019, the District reported a liability of \$338,031,000 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 9.742%.

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	\$ 338,031,000
State's proportionate share of the District's net OPEB liability	<u>291,312,000</u>
Total	<u>\$ 629,343,000</u>

For the year ended June 30, 2019, the District recognized OPEB expense of \$17,356,000 and revenue of \$20,316,000 for support provided by the State. At June 30, 2019, the District reported deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 4,647,000	
Difference between expected and actual experience		\$ 17,314,000
Difference between projected and actual earnings on OPEB plan investments		1,376,000
Change in proportionate share		1,095,000

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note H—Postemployment Benefits—Continued

The collective amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	
2020	\$ 3,033,000
2021	3,033,000
2022	3,033,000
2023	2,417,000
2024	2,535,000
Thereafter	\$ 1,087,000

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	3.50% - 7.20%
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	3.89%
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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note H—Postemployment Benefits—Continued

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.

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	58.0%
Fixed Income	9.0%
Real Estate	5.5%
Private Equity	6.5%
Other Additional Categories	20.0%
Cash	1.0%
Total	100.0%

Discount rate - The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



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 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:

1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
\$ 386,321,143	\$ 338,031,000	\$ 300,472,000

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

1% Decrease	Current Trend Rate	1% Increase
\$ 280,303,783	\$ 338,031,000	\$ 409,267,791

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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



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, 2019, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to 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	\$ 5,001,000
District's proportionate share of the net OPEB liability	<u>-</u>
Total	<u>\$ 5,001,000</u>

For the year ended June 30, 2019, the District recognized revenue of \$843,000 for support provided by the State. At June 30, 2019, 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.

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	3.89%
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.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note H—Postemployment Benefits—Continued

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

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

<u>Asset Class</u>	<u>% of Assets in Category</u>
U.S. & International Equity	63.0%
Fixed Income	18.0%
Real Estate	6.0%
Private Equity	5.0%
Other Additional Categories	6.0%
Cash	2.0%
Total	100.0%

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, 2019, the District had outstanding commitments for construction of \$83,991,587.

Notes to the Financial Statements

For the Year Ended June 30, 2019



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, 2019.

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 (\$28.9 million), student transportation (\$45.7 million), English as a Second Language (\$18.3 million), the State Agency Children's Program (\$9.3 million), Special Education (\$74.7 million), and a new employer contribution to one of the pensions that District employees participate in (\$17.4 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, 2019.

Notes to the Financial Statements

For the Year Ended June 30, 2019



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, 2019, encumbrances were included in our Fund Balances as follows:

General Fund Assigned Fund Balance	\$ 16,244,256
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>\$ 54,172,328</u>

Note M—Recent GASB Pronouncements

Statement No. 83, *Certain Asset Retirement Obligations*, this statement addresses accounting and financial reporting for certain asset retirement obligations (“ARO”s). This statement was adopted during the current year. It did not have a significant impact on the financial statements.

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. This statement was adopted during the current year. It did not have a significant impact on the financial statements.

The GASB has issued several reporting standards that will become effective for fiscal 2020 and later years’ financial statements.

- 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. 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.
- Statement No. 90, *Majority Equity Interests*, this statement addresses situations where a government acquires a majority interest in an equity interest in another organization.
- Statement No. 91, *Conduit Debt Obligations*, the primary objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with related obligations, commitments, and footnote disclosures.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2019



Note M—Recent GASB Pronouncements—Continued

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 net position of \$960,422. These funds are negative due to the unfunded pension and postemployment liabilities and related deferred inflows and outflows.

Note O – Subsequent Events

In preparing these financial statements, management of the District has evaluated events and transactions for potential recognition or disclosure through November 12, 2019, the date the financial statements were available to be issued.

Required Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2019

	General Fund			Variance with
	Working Budget	Final Budget	Actual	Final Budget Positive (Negative)
Revenues				
Local sources				
Property taxes	\$ 440,553,515	\$ 440,553,515	\$ 442,127,249	\$ 1,573,734
Occupational taxes	170,493,750	170,493,750	165,754,818	(4,738,932)
Other taxes	55,574,828	55,574,828	56,671,549	1,096,721
State sources				
SEEK program	242,117,316	242,117,316	247,934,805	5,817,489
Other state revenues	300,129,921	300,129,921	304,164,747	4,034,826
Interest	3,015,000	3,015,000	7,371,642	4,356,642
Other sources	10,308,697	10,308,697	11,086,482	777,785
Total Revenues	1,222,193,027	1,222,193,027	1,235,111,292	12,918,265
Expenditures				
Instruction	721,209,211	712,545,185	696,775,984	15,769,201
Student support services	65,981,691	65,651,246	64,333,903	1,317,343
Instructional staff support services	115,444,421	114,897,558	104,439,256	10,458,302
District administration support services	6,779,372	6,932,609	6,651,351	281,258
School administration support services	110,962,036	115,087,200	114,442,496	644,704
Business support services	49,197,387	50,750,638	45,181,438	5,569,200
Plant operations and maintenance	132,005,324	133,173,376	116,359,814	16,813,562
Student transportation	82,942,899	90,187,795	87,360,599	2,827,196
Other	23,252	35,237	70,930	(35,693)
Food service operations	17,000	17,000		17,000
Community services operations	3,189,171	3,326,278	2,954,223	372,055
Building renovations	1,146,140	1,327,468	1,159,222	168,246
Transfers to Proprietary Funds			3,072,836	(3,072,836)
Operating transfers out	1,931,469	2,036,994	2,065,995	(29,001)
Contingency	59,698,654	53,188,406		53,188,406
Total Expenditures	1,350,528,027	1,349,156,990	1,244,868,047	104,288,943
Revenues in Excess of (Less Than) Expenditures	(128,335,000)	(126,963,963)	(9,756,755)	\$ 117,207,208
Net Position, End of Year	\$ 13,212,484	\$ 14,583,521	\$ 131,790,729	

See page 66 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, 2019

	Special Revenue Fund			
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Grants	\$ 117,159,567	\$ 127,532,710	\$ 115,108,412	\$ (12,424,298)
Interest	1,669	39,327	30,934	(8,393)
Other Sources			24,482	24,482
Transfers from other funds	1,831,469	2,126,766	2,070,995	(55,771)
Total Revenues	118,992,705	129,698,803	117,234,823	(12,463,980)
Expenditures				
Instruction	65,347,196	66,539,984	63,236,081	3,303,903
Student support services	3,615,659	4,758,035	3,827,636	930,399
Instructional staff support services	34,300,980	34,706,599	36,402,816	(1,696,217)
District administration support services	165,529	74,261	162,874	(88,613)
School administration support services	874,436	600,805	584,676	16,129
Business support services	736,457	733,792	640,797	92,995
Plant operations and maintenance	767,129	985,022	1,010,374	(25,352)
Student transportation	847,649	1,070,173	1,831,490	(761,317)
Community service operations	10,198,773	18,034,177	8,129,613	9,904,564
Building renovations				
Other expenditures	2,138,897	2,195,955	2,264,215	(68,260)
Transfers to other funds			150,241	(150,241)
Total Expenditures	118,992,705	129,698,803	118,258,774	11,440,029
Revenues in Excess of (Less Than) Expenditures			(1,023,951)	\$ (1,023,951)
Net Position, End of Year	\$ 10,215,664	\$ 10,215,664	\$ 9,191,713	

See page 66 for explanation of significant budget variances

See Independent Auditors' Report

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2019

Explanation of significant budget variances:

General Fund

Instruction expenses were \$15.8 million under budget due to temporary vacancies throughout the District caused by leave or staff movement. In addition, schools are permitted to carryover some unspent budget from one year to the next to allow schools to plan for large purchases. Plant operations and maintenance expenses were \$16.8 million under budget. This resulted from staff temporary vacancies, conservative budgeting in many utilities categories, and construction projects that were encumbered at year-end but are scheduled to be completed and expensed during the summer of 2019. Instructional Staff Support Services were \$10.5 million under budget during a reorganization where additional resources were being allocated to support our teaching staff. Additionally, 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.

Special Revenue Fund

Grants revenues, instruction expenditures, and community service operations expenditures were less than budget due to the District relinquishing the Head Start grant this year. The District chose to relinquish this grant in an effort to be more aligned to our K-12 mission.

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, 2019

	<u>2018-2019</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
District's proportion of the net pension liability	7.74380%	7.74870%	7.83330%	8.05481%	8.15008%
District's proportionate share of the net pension liability	\$471,620,358	\$453,555,175	\$385,681,594	\$346,318,819	\$264,419,000
District's covered payroll	\$194,383,907	\$191,038,985	\$188,718,277	\$189,331,814	\$187,829,142
District's proportionate share of the net pension liability as a percentage of District's covered payroll	242.62%	237.41%	201.08%	183.51%	139.66%
Plan fiduciary net position as a percentage of the total pension liability	53.540000%	55.300000%	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, 2019

	<u>2018-2019</u>	<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%	0.00%
District's proportionate share of the net pension liability	-	-	-	-	-
Commonwealth's proportion of the net pension liability associated with the District	18.9522%	18.5913%	18.3822%	18.4829%	17.8857%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 2,481,543,345</u>	<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>\$ 2,481,543,345</u></u>	<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 payroll	\$ 622,457,214	\$ 600,769,995	\$ 588,915,332	\$ 575,283,426	\$ 560,665,934
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 payroll	398.67%	835.00%	902.63%	730.34%	638.88%
Plan fiduciary net position as a percentage of the total pension liability	59.30%	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, 2019

	<u>2018-2019</u>	<u>2017-18</u>	<u>2016-17</u>
District's proportion of the net OPEB liability	7.74380%	7.74870%	N/A
District's proportionate share of the net OPEB liability	\$ 137,485,575	\$ 155,775,355	\$ 122,185,342
District's covered-employee payroll	\$ 194,383,907	\$ 191,038,985	\$ 188,718,277
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	70.73%	81.54%	64.74%
Plan fiduciary net position as a percentage of the total OPEB liability	57.620000%	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, 2019

	<u>2018-19</u>	<u>2017-18</u>
District's proportion of the net OPEB liability	9.74%	9.78%
District's proportionate share of the net OPEB liability	\$ 338,031,000	\$ 348,684,000
Commonwealth's proportion of the net pension liability associated with the District	8.3960%	7.9877%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 291,312,000</u>	<u>\$ 284,824,000</u>
Total	<u><u>\$ 629,343,000</u></u>	<u><u>\$ 633,508,000</u></u>
District's covered-employee payroll	\$ 622,457,214	\$ 600,769,995
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	54.31%	56.02%
Plan fiduciary net position as a percentage of the total OPEB liability	25.5000%	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, 2019

	<u>2018-19</u>	<u>2017-18</u>
District's proportion of the net OPEB liability	0.00%	0.00%
District's proportionate share of the net OPEB liability	\$ -	\$ -
Commonwealth's proportion of the net pension liability associated with the District	17.7250%	17.3622%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 5,001,000</u>	<u>\$ 3,805,000</u>
Total	<u><u>\$ 5,001,000</u></u>	<u><u>\$ 3,805,000</u></u>
District's covered-employee payroll	\$ 622,457,214	\$ 600,769,995
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	75.0000%	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>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 31,349,330	\$ 22,849,672	\$ 26,605,500	\$ 23,316,728	\$ 33,301,465
Contributions in relation to the contractually required contribution	<u>31,349,330</u>	<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>	<u>\$ -</u>
District's covered payroll	\$194,138,549	\$194,383,907	\$191,038,985	\$188,718,277	\$189,329,298
Contributions as a percentage of covered payroll	16.1479%	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>2018-19</u>	<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>	<u>-</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's covered payroll	\$639,689,235	\$622,457,214	\$600,769,995	\$588,915,332	\$575,283,426
Contributions as a percentage of covered payroll	0.0000%	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>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Contractually required contribution	\$ 31,349,330	\$ 22,849,672	\$ 26,605,500
Contributions in relation to the contractually required contribution	<u>31,349,330</u>	<u>22,849,672</u>	<u>26,605,500</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$194,138,549	\$194,383,907	\$191,038,985
Contributions as a percentage of covered-employee payroll	16.1479%	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>2018-19</u>	<u>2017-18</u>
Contractually required contribution	\$ 17,354,459	\$ 16,753,572
Contributions in relation to the contractually required contribution	<u>17,354,459</u>	<u>16,753,572</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 639,689,235	\$ 622,457,214
Contributions as a percentage of covered-employee payroll	2.7130%	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>2018-19</u>	<u>2017-18</u>
Contractually required contribution	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 639,689,235	\$ 622,457,214
Contributions as a percentage of covered-employee payroll	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

Other Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2019

Construction Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest			\$ 71,337	\$ 71,337
Proceeds from the sale of bonds	\$ 75,000,000	\$ 98,428,050	84,485,000	(13,943,050)
Other income			5,877,974	5,877,974
Transfers from other funds			16,609,998	16,609,998
Total Revenues	75,000,000	98,428,050	107,044,309	8,616,259
Expenditures				
Building renovations	75,000,000	9,428,050	53,507,905	(44,079,855)
Transfers to other funds			2,772,114	(2,772,114)
Total Expenditures	75,000,000	9,428,050	56,280,019	(46,851,969)
Revenues in Excess of (Less Than) Expenditures			50,764,290	\$ (38,235,710)
Net Position, End of Year	\$ 46,860,175	\$ 46,860,175	\$ 97,624,465	
School Food Services				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Lunchroom sales	\$ 4,500,000	\$ 4,500,000	\$ 3,023,797	\$ (1,476,203)
Federal grants	64,267,040	70,972,222	54,592,235	(16,379,987)
State revenues	5,080,566	5,080,566	4,846,214	(234,352)
Donated commodities			3,408,472	3,408,472
District support			2,979,945	2,979,945
Interest	100,000	100,000	170,812	70,812
Miscellaneous	45,000	81,943		(81,943)
Total Revenues	73,992,606	80,734,731	69,021,475	(11,713,256)
Expenses				
Food service operation	100,477,126	95,466,235	68,543,925	26,922,310
Transfers to other funds	3,360,000	6,924,529	3,656,941	3,267,588
Total Expenses	103,837,126	102,390,764	72,200,866	30,189,898
Revenues in Excess of (Less Than) Expenses	(29,844,520)	(21,656,033)	(3,179,391)	\$ 18,476,642
Net Position, End of Year	\$ (84,165,304)	\$ (75,976,817)	\$ (57,500,175)	

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

See page 81 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, 2019

SEEK Capital Outlay Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
State SEEK program	\$ 8,642,470	\$ 8,642,470	\$ 8,629,589	\$ (12,881)
Expenditures				
Transfers to other funds	8,642,470	8,642,470	8,629,589	12,881
Total Expenditures	<u>8,642,470</u>	<u>8,642,470</u>	<u>8,629,589</u>	<u>12,881</u>
Revenues in Excess of (Less Than) Expenditures				<u>\$</u>
Net Position, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	

Building Tax Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 39,318,221	\$ 39,318,221	\$ 37,943,111	\$ (1,375,110)
Other sources	200,000	200,000	102,096	(97,904)
Total Revenues	39,518,221	39,518,221	38,045,207	(1,473,014)
Expenditures				
Transfers to other funds	39,518,221	39,518,221	43,324,491	(3,806,270)
Total Expenditures	<u>39,518,221</u>	<u>39,518,221</u>	<u>43,324,491</u>	<u>(3,806,270)</u>
Revenues in Excess of (Less Than) Expenditures			(5,279,284)	<u>\$ (5,279,284)</u>
Net Position, End of Year	<u>\$ 9,459,699</u>	<u>\$ 9,459,699</u>	<u>\$ 4,180,415</u>	

See page 81 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, 2019

Debt Service Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
KSFCC allocation	\$ 9,500,000	\$ 9,500,000	\$ 10,982,285	\$ 1,482,285
Other sources	2,600,000	2,600,000	2,621,896	21,896
Transfers from other funds	48,160,691	48,160,691	38,116,196	(10,044,495)
Total Revenues	60,260,691	60,260,691	51,720,377	(8,540,314)
Expenditures				
Debt service	60,260,691	60,260,691	51,720,377	(8,540,314)
Total Expenditures	60,260,691	60,260,691	51,720,377	(8,540,314)
Revenues in Excess of (Less Than) Expenditures				\$
Net Position, End of Year	\$	\$	\$	
Day Care Operations				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Day care fees	\$ 325	\$ 7,034	\$ 7,034	
Other state and federal revenues	38,474	307,637	293,684	\$ (13,953)
Total Revenues	38,799	314,671	300,718	(13,953)
Expenses				
Day care operations	454,467	730,339	(435,894)	(1,166,233)
Revenues in Excess of (Less Than) Expenses	(415,668)	(415,668)	736,612	\$ (1,180,186)
Net Position, End of Year	\$ (662,859)	\$ (662,859)	\$ 489,421	

See page 81 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, 2019

Adult Education				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Adult education tuition	\$ 218,620	\$ 213,768	\$ 183,017	\$ (30,751)
Interest	306	5,158	5,158	
Other state revenues	31,625	31,625	31,525	(100)
Total Revenues	250,551	250,551	219,700	(30,851)
Expenses				
Instruction	19,821	2,211	171,152	(168,941)
Instructional staff support services	456,804	475,080		475,080
Transfers to other funds	5,000	5,000	5,000	
Total Expenses	481,625	482,291	176,152	306,139
Revenues in Excess of (Less Than) Expenses	(231,074)	(231,740)	43,548	\$ 275,288
Net Position, End of Year	\$ 331	\$ (335)	\$ 274,953	

Tuition Pre-School				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Pre-School Tuition	\$ 871,788	\$ 885,286	\$ 742,039	\$ 143,247
Other state revenues	179,135	179,135	219,651	(40,516)
Total Revenues	1,050,923	1,064,421	961,690	102,731
Expenses				
Instruction	1,274,675	1,288,173	707,730	580,443
Revenues in Excess of (Less Than) Expenses	(223,752)	(223,752)	253,960	\$ (477,712)
Net Position, End of Year	\$ (1,438,134)	\$ (1,438,134)	\$ (960,422)	

See page 81 for explanation of significant budget variances

See Independent Auditors' Report

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2019

	Enterprise Programs			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Program fees	\$ 23,510	\$ 62,084	\$ 57,976	\$ 4,108
State revenues	4,936	4,936	3,521	1,415
Transfers from other funds	95,000	96,925	92,891	4,034
Total Revenues	123,446	163,945	154,388	9,557
Expenses				
Instruction	107,850	113,162	141,308	(28,146)
Instructional staff support	32,442	65,704		
Community services	27,936	29,861		
Total Expenses	168,228	208,727	141,308	(28,146)
Revenues in Excess of (Less Than) Expenses	(44,782)	(44,782)	13,080	\$ 37,703
Net Position, End of Year	\$	\$	\$ 57,862	

See below for explanation of significant budget variances

Explanation of significant budget variances:**Construction Fund**

Proceeds from the sale of bonds was less than budget by \$14 million as the District took advantage of the sustained low interest rates to finance necessary capital renovation projects on the long-range facilities plan. These projects caused building renovation expenditures to exceed budget by \$44.1 million as the bond-funded projects are ongoing. 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 \$26.9 million underage.

Building Fund

Transfers to other funds were \$3.8 million over budget as the District chose to utilize 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 than budgeted as the District is reaping the benefits of bond refundings done during this period of low interest rates. Refunding issues captured net interest savings and never increased the term of each bond.

Combining Balance Sheet - Nonmajor Governmental Funds
Board of Education of Jefferson County, Kentucky
June 30, 2019

	Building Tax Fund	District Activity Funds	Total Nonmajor Governmental Funds
Assets			
Accounts receivable		\$ 52,367	\$ 52,367
Due from other funds	\$ 4,180,415	3,433,081	7,613,496
Total Assets	<u>4,180,415</u>	<u>3,485,448</u>	<u>7,665,863</u>
Liabilities			
Accrued liabilities		248,042	248,042
Fund Balances, Restricted	<u>4,180,415</u>	<u>3,237,406</u>	<u>7,417,821</u>
Total Liabilities and Fund Balances	<u>\$ 4,180,415</u>	<u>\$ 3,485,448</u>	<u>\$ 7,665,863</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, 2019

	Building Tax Fund	SEEK Capital Outlay Fund	Debt Service Fund	District Activity Funds	Total Nonmajor Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 37,943,111				\$ 37,943,111
State sources					
SEEK program		\$ 8,629,589			8,629,589
KSFCC allocation			\$ 10,982,285		10,982,285
Other Sources	102,096		2,621,896	\$ 4,352,197	7,076,189
Total Revenues	38,045,207	8,629,589	13,604,181	4,352,197	64,631,174
Expenditures					
Instruction				3,629,301	3,629,301
Plant operations & maintenance				68,179	68,179
Debt service					
Principal			35,151,226		35,151,226
Interest			16,569,151		16,569,151
Total Expenditures			51,720,377	3,697,480	55,417,857
Revenues in Excess of (Less Than) Expenditures	38,045,207	8,629,589	(38,116,196)	654,717	9,213,317
Other Financing Sources (Uses)					
Operating transfers in			38,116,196		38,116,196
Operating transfers out	(43,324,491)	(8,629,589)			(51,954,080)
Total Other Financing Sources (Uses)	(43,324,491)	(8,629,589)	38,116,196		(13,837,884)
Net Change in Fund Balances	(5,279,284)			654,717	(4,624,567)
Fund Balances, Beginning of Year	9,459,699			2,582,689	12,042,388
Fund Balances, End of Year	\$ 4,180,415	\$	\$	\$ 3,237,406	\$ 7,417,821

See Independent Auditors' Report

Combining Statement of Net Position - Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
June 30, 2019

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Assets					
Current Assets					
Cash and cash equivalents	\$ 327,075				\$ 327,075
Due from other funds		\$ 111,896	\$ 369,185	\$ 583,137	1,064,218
Total Current Assets	327,075	111,896	369,185	583,137	1,391,293
Deferred Outflows of Resources					
Difference between actual and expected experience			23,414	1,635	25,049
Difference between projected and actual earnings on plan investments			33,381	2,331	35,712
Changes in Assumptions			119,022	8,312	127,334
Pension contributions after measurement date			63,191	4,413	67,604
Total Deferred Outflows of Resources			239,008	16,691	255,699
Liabilities					
Current Liabilities					
Accrued liabilities	24			859	883
Due to other funds	52,098	54,034			106,132
Noncurrent Liabilities					
Unfunded pension liabilities			717,853	50,133	767,986
Unfunded post-employment benefits liabilities			723,784	50,548	774,332
Total Liabilities	52,122	54,034	1,441,637	101,540	1,649,333
Deferred Inflows of Resources					
Differences between projected and actual earnings on plan investments			58,497	4,085	62,582
Differences between actual and expected experience			61,249	4,277	65,526
Changes in Assumptions			484	34	518
Changes in proportionate share			6,748	471	7,219
Total Deferred Inflows of Resources			126,978	8,867	135,845
Net Position					
Unrestricted	274,953	57,862	(960,422)	489,421	(138,186)
Total Net Position	\$ 274,953	\$ 57,862	\$ (960,422)	\$ 489,421	\$ (138,186)

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, 2019

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Operating Revenues					
Tuition and fees	\$ 183,017	\$ 57,976	\$ 742,039	\$ 7,034	\$ 990,066
Operating Expenses					
Salaries and personnel services	123,727	16,617	658,899	65,642	864,885
Employee benefits	40,432	4,891	15,546	(536,019)	(475,150)
Purchased professional services	3,766	94,220	10	2,585	100,581
Purchased property maintenance services			6,750		6,750
Other purchased services	2,325	618			2,943
Supplies and materials	803	6,879	9,824	12,619	30,125
Property		18,083	16,701	14,610	49,394
Miscellaneous	99			4,669	4,768
Total Operating Expenses	<u>171,152</u>	<u>141,308</u>	<u>707,730</u>	<u>(435,894)</u>	<u>584,296</u>
Loss From Operations	11,865	(83,332)	34,309	442,928	405,770
Non-Operating Revenues (Expenses)					
State revenues	31,525	3,521	219,651	293,684	548,381
Transfers to other funds	(5,000)				(5,000)
Transfers from other funds		92,891			92,891
Interest income	5,158				5,158
Total Non-Operating Revenues (Expenses)	<u>31,683</u>	<u>96,412</u>	<u>219,651</u>	<u>293,684</u>	<u>641,430</u>
Change in Net Position	43,548	13,080	253,960	736,612	1,047,200
Net Position, Beginning of Year	<u>231,405</u>	<u>44,782</u>	<u>(1,214,382)</u>	<u>(247,191)</u>	<u>(1,185,386)</u>
Net Position, End of Year	<u>\$ 274,953</u>	<u>\$ 57,862</u>	<u>\$ (960,422)</u>	<u>\$ 489,421</u>	<u>\$ (138,186)</u>

See Independent Auditors' Report

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2019

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Cash Flows From Operating Activities					
Cash received from customers	\$ 187,596	\$ 83,753	\$ 806,172	\$ (160,286)	\$ 917,235
Cash paid to suppliers	48,861	28,454	(36,510)	(26,668)	14,137
Cash paid to employees	(164,494)	(21,508)	(989,303)	(99,625)	(1,274,930)
Cash paid for other expenses	(3,865)	(94,220)	(10)	(7,254)	(105,349)
Net Cash Provided by (Used in) Operating Activities	68,098	(3,521)	(219,651)	(293,833)	(448,907)
Cash Flows From Capital and Related Financing Activities					
Interest earned	5,158				5,158
Net Cash Provided By (Used in) Capital and Related Financing Activities	5,158				5,158
Cash Flows from Noncapital Financing Activities					
Cash used for operational grant required match	(5,000)				(5,000)
Cash received for operational grants	31,525	3,521	219,651	293,684	548,381
Net Cash Provided by Noncapital Financing Activities	26,525	3,521	219,651	293,684	543,381
Increase (Decrease) in Cash and Cash Equivalents	99,781			(149)	99,632
Cash and Cash Equivalents, Beginning of Year	227,294				227,294
Cash and Cash Equivalents, End of Year	\$ 327,075	\$	\$	\$ (149)	\$ 326,926
Reconciliation of (Income) Loss from Operations to Net Cash Provided by (Used in) Operating Activities					
Loss from operations	\$ 11,865	\$ (83,332)	\$ 34,309	\$ 442,928	\$ 405,770
Adjustments to reconcile loss from operations to cash provided by (used in) operating activities:					
Transfers		92,891			92,891
Change in accounts receivable		8,319			8,319
Change in amounts due from other funds	4,579	(75,433)	64,133	(167,320)	(174,041)
Change in deferred outflows	73		124,824	129,962	254,859
Change in amounts due to other funds	52,098	54,034		(149)	105,983
Change in accrued liabilities	(109)		(3,235)	710	(2,634)
Change in deferred inflows	(25)		7,452	(39,311)	(31,884)
Change in unfunded pension liabilities	(181)		(176,376)	(310,307)	(486,864)
Change in unfunded postemployment benefits liabilities	(202)		(270,758)	(350,346)	(621,306)
Net Cash Used in Operating Activities	\$ 68,098	\$ (3,521)	\$ (219,651)	\$ (293,833)	\$ (448,907)

Board of Education of Jefferson County, Kentucky

June 30, 2019

	Agency Funds				
	High School Activity Fund	Middle School Activity Fund	Elementary School Activity Fund	Other Agency Funds	Total Agency Funds
Assets					
Cash and cash equivalents	\$ 3,132,067	\$ 959,031	\$ 1,048,575		\$ 5,139,673
Investments	626,367	50,000	5,000		681,367
Accounts receivable	45,121	2,746	3,174	\$ 710,500	761,541
Inventory	112,527	149,887	25,104		287,518
Total Assets	<u>\$ 3,916,082</u>	<u>\$ 1,161,664</u>	<u>\$ 1,081,853</u>	<u>\$ 710,500</u>	<u>\$ 6,870,099</u>
Liabilities					
Accrued liabilities	\$ 95,437	\$ 5,832	\$ 9,296	450	\$ 111,015
Due to student groups	3,820,645	1,155,832	1,072,557	\$ 710,050	6,759,084
Total Liabilities	<u>\$ 3,916,082</u>	<u>\$ 1,161,664</u>	<u>\$ 1,081,853</u>	<u>\$ 710,500</u>	<u>\$ 6,870,099</u>

Statement of Changes in Assets and Liabilities - Fiduciary Funds

	High School Activity Fund			
	2018	Additions	Deductions	2019
Assets				
Cash and cash equivalents	\$ 3,206,297	\$ 10,507,560	\$ 10,581,790	\$ 3,132,067
Investments	676,367		50,000	626,367
Accounts receivable	11,732	45,121	11,732	45,121
Inventory	150,853	112,527	150,853	112,527
Total Assets	<u>\$ 4,045,249</u>	<u>10,665,208</u>	<u>10,794,375</u>	<u>\$ 3,916,082</u>
Liabilities				
Accrued liabilities	\$ 65,172	\$ 95,437	\$ 65,172	\$ 95,437
Due to student groups	3,980,077	3,820,645	3,980,077	3,820,645
Total Liabilities	<u>\$ 4,045,249</u>	<u>\$ 3,916,082</u>	<u>\$ 4,045,249</u>	<u>\$ 3,916,082</u>
	Middle School Activity Fund			
	2018	Additions	Deductions	2019
Assets				
Cash and cash equivalents	\$ 1,093,096	\$ 4,181,968	\$ 4,316,033	\$ 959,031
Investments	50,000			50,000
Accounts receivable	943	2,746	943	2,746
Inventory	131,140	149,887	131,140	149,887
Total Assets	<u>\$ 1,275,179</u>	<u>\$ 4,334,601</u>	<u>\$ 4,448,116</u>	<u>\$ 1,161,664</u>
Liabilities				
Accrued liabilities	\$ 14,163	\$ 5,832	\$ 14,163	\$ 5,832
Due to student groups	1,261,016	1,155,832	1,261,016	1,155,832
Total Liabilities	<u>\$ 1,275,179</u>	<u>\$ 1,161,664</u>	<u>\$ 1,275,179</u>	<u>\$ 1,161,664</u>

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

Board of Education of Jefferson County, Kentucky

June 30, 2019

		Elementary School Activity Fund			
		2018	Additions	Deductions	2019
Assets					
Cash and cash equivalents	\$	1,325,944	\$ 4,286,618	\$ 4,563,987	\$ 1,048,575
Investments		5,000			5,000
Accounts receivable		1,851	3,174	1,851	3,174
Inventory		31,672	25,104	31,672	25,104
Total Assets	\$	1,364,467	\$ 4,314,896	\$ 4,597,510	\$ 1,081,853
Liabilities					
Accrued liabilities	\$	18,358	\$ 9,296	\$ 18,358	\$ 9,296
Due to student groups		1,346,109	1,072,557	1,346,109	1,072,557
Total Liabilities	\$	1,364,467	\$ 1,081,853	\$ 1,364,467	\$ 1,081,853
		Other Agency Funds			
		2018	Additions	Deductions	2019
Assets					
Accounts receivable	\$	693,873	\$ 710,500	\$ 693,873	\$ 710,500
Total Assets	\$	686,942	\$ 710,500	\$ 693,873	\$ 710,500
Liabilities					
Accrued liabilities			\$ 450		\$ 450
Due to student groups	\$	693,873	710,050	\$ 693,873	710,050
Total Liabilities	\$	686,942	\$ 710,050	\$ 693,873	\$ 710,050
		Total All Agency Funds			
		2018	Additions	Deductions	2019
Assets					
Cash and cash equivalents	\$	5,625,337	\$ 18,976,146	\$ 19,461,810	\$ 5,139,673
Investments		731,367		50,000	681,367
Accounts receivable		708,399	761,541	708,399	761,541
Inventory		313,665	287,518	313,665	287,518
Total Assets	\$	7,378,768	\$ 20,025,205	\$ 20,533,874	\$ 6,870,099
Liabilities					
Accrued Liabilities	\$	97,693	\$ 111,015	\$ 97,693	\$ 111,015
Due to student groups		7,281,075	6,759,084	7,281,075	6,759,084
Total Liabilities	\$	7,378,768	\$ 6,870,099	\$ 7,378,768	\$ 6,870,099

See Independent Auditors' Report

STATISTICAL SECTION

FINANCIAL TRENDS



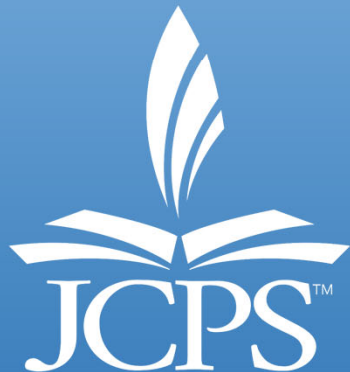
DEMOGRAPHIC & ECONOMIC INFORMATION



OPERATIONAL DATA



REVENUE & DEBT CAPACITY



- Financial Trend Data – Financial management through multi-year analytics
- Revenue Capacity Data – Our ability to support its activities with current revenues
- Debt Capacity Data – Debt burden and capacity for future bonding
- Demographic & Economic Information – Jefferson County residents and economy
- Operating Information – Quantitative information about our district



Board of Education of Jefferson County, Kentucky

Statement of Net Position

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Net Position--Governmental					
Net investment in capital assets	\$ 334,282,855	\$ 348,872,266	\$ 273,951,321	\$ 237,297,859	\$ 255,725,319
Restricted	174,959,788	73,324,431	164,586,399	113,813,258	78,544,164
Unrestricted	(855,462,019)	(695,450,592)	(670,453,548)	(627,298,464)	(595,108,111)
Total Net Position--Governmental	(346,219,376)	(273,253,895)	(231,915,828)	(276,187,347)	(260,838,628)
Net Position--Proprietary					
School Food Services	(57,500,175)	(54,320,784)	(47,253,545)	(25,759,539)	(25,133,436)
Adult Education	274,953	231,405	158,207	86,224	11,844
Enterprise Programs	57,862	44,782	40,672	27,140	16,073
Tuition Pre-School	(960,422)	(1,214,382)	(1,185,588)	(916,622)	(916,622)
Daycare Operations	489,421	(247,191)	(356,205)	(123,103)	(256,925)
Total Net Position--Proprietary	(57,638,361)	(55,506,170)	(48,596,459)	(26,685,900)	(26,279,066)
Net Position--Total Primary Government	\$ (403,857,737)	\$ (328,760,065)	\$ (280,512,287)	\$ (302,873,247)	\$ (287,117,694)

Continued



Board of Education of Jefferson County, Kentucky

Statement of Net Position--Continued

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Net Position--Governmental					
Net investment in capital assets	\$ 256,413,828	\$ 228,677,128	\$ 212,188,178	\$ 143,500,299	\$ 145,886,072
Restricted	73,171,127	81,363,249	86,615,249	138,292,201	86,818,595
Unrestricted	<u>(596,106,874)</u>	<u>(586,650,843)</u>	<u>(590,487,623)</u>	<u>(571,789,273)</u>	<u>(566,672,030)</u>
Total Net Position--Governmental	<u>(266,521,919)</u>	<u>(276,610,466)</u>	<u>(291,684,196)</u>	<u>(289,996,773)</u>	<u>(333,967,363)</u>
Net Position--Proprietary					
School Food Services	(25,170,876)	(23,174,444)	(22,712,049)	(24,595,022)	(27,271,890)
Adult Education	81,267	66,729	16,469	10,568	78,669
Enterprise Programs	(24,392)	(23,042)	(24,542)	73,161	(24,542)
Tuition Pre-School	(1,119,290)	(1,140,700)	(1,129,041)	(1,081,676)	(1,091,839)
Daycare Operations	<u>(385,947)</u>	<u>(350,751)</u>	<u>(469,617)</u>	<u>(232,515)</u>	<u>(170,912)</u>
Total Net Position--Proprietary	<u>(26,619,238)</u>	<u>(24,622,208)</u>	<u>(24,318,780)</u>	<u>(25,825,484)</u>	<u>(28,480,514)</u>
Net Position--Total Primary Government	<u>\$ (293,141,157)</u>	<u>\$ (301,232,674)</u>	<u>\$ (316,002,976)</u>	<u>\$ (315,822,257)</u>	<u>\$ (362,447,877)</u>



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Governmental activities					
Instruction	\$ 864,509,475	\$ 848,894,722	\$ 781,439,409	\$ 742,294,075	\$ 729,319,975
Student support services	69,122,283	66,627,124	63,459,349	58,812,027	60,064,328
Instructional staff support services	184,473,830	191,939,436	241,610,652	187,114,423	133,254,466
District administrative support services	9,417,079	8,792,408	8,409,278	7,872,803	7,711,286
School administrative support services	127,163,050	108,309,775	107,624,194	99,473,707	94,277,648
Business support services	65,847,780	70,521,907	90,097,373	81,828,482	33,236,652
Community services	118,239,225	26,377,760	33,835,506	25,466,326	16,012,870
Transportation	124,412,708	158,063,796	131,587,727	89,762,735	87,973,527
Plant operations and maintenance	28,399,457	118,322,852	109,198,091	110,347,315	108,222,195
Other instructional support services	64,987	60,065	32,859	31,660	34,945
Other					
Miscellaneous	539,714	21,617	282,916	349,122	466,078
Interest expense	16,106,729	17,204,330	16,139,220	16,116,139	16,244,178
Total governmental activities	1,608,296,317	1,615,135,792	1,583,716,574	1,419,468,814	1,286,818,148
Program Revenues					
Tuition	508,252	479,270	393,452	647,118	586,509
Operating grants	83,432,587	103,181,009	105,014,680	105,081,380	99,577,458
Facility grants	10,982,285	10,808,651	9,709,125	9,449,764	8,171,637
Total program revenues	94,923,124	114,468,930	115,117,257	115,178,262	108,335,604
Net Expense	<u>\$ (1,513,373,193)</u>	<u>\$ (1,500,666,862)</u>	<u>\$ (1,468,599,317)</u>	<u>\$ (1,304,290,552)</u>	<u>\$ (1,178,482,544)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Governmental activities					
Instruction	\$ 633,177,394	\$ 625,366,756	\$ 623,418,868	\$ 601,363,634	\$ 586,940,824
Student support services	50,729,048	51,229,772	54,160,536	52,377,988	51,213,194
Instructional staff support services	118,955,171	126,848,770	116,883,482	107,964,725	97,416,936
District administrative support services	6,972,822	6,527,172	6,710,803	7,442,377	6,712,202
School administrative support services	84,150,967	86,610,539	83,704,696	78,484,265	76,618,966
Business support services	38,844,491	43,593,985	41,172,767	35,599,686	37,261,343
Community services	9,134,416	11,083,387	8,791,352	9,727,125	9,332,818
Transportation	84,374,237	85,671,454	84,517,760	77,970,038	69,694,236
Plant operations and maintenance	103,975,188	105,742,034	108,900,724	101,928,275	94,416,023
Other instructional support services	10,000	54,928	334,291	272,702	252,475
Other					
Miscellaneous	3,572,370	3,785,214	199,367		4,315,433
Interest expense	14,825,786	15,146,527	16,778,960	15,314,561	16,644,665
Total governmental activities	1,148,721,890	1,161,660,538	1,145,573,606	1,088,445,376	1,050,819,115
Program Revenues					
Tuition	902,489	1,100,286	1,738,713	1,197,658	952,947
Operating grants	104,010,029	130,277,504	150,396,249	164,772,564	145,154,703
Facility grants	7,638,789	7,908,035	6,999,453	7,216,749	9,804,218
Total program revenues	112,551,307	139,285,825	159,134,415	173,186,971	155,911,868
Net Expense	\$ (1,036,170,583)	\$ (1,022,374,713)	\$ (986,439,191)	\$ (915,258,405)	\$ (894,907,247)

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Net Expense	\$ (1,513,373,193)	\$ (1,500,666,862)	\$ (1,468,599,317)	\$ (1,304,290,552)	\$ (1,178,482,544)
General revenues					
Taxes					
Property taxes	480,070,360	456,911,397	432,706,453	416,365,932	397,722,644
Occupational taxes	165,754,818	162,374,610	156,387,646	151,821,629	139,825,242
Other taxes	56,671,549	53,658,834	51,729,620	47,796,163	49,482,553
State sources					
SEEK program	256,564,394	256,709,740	269,121,859	274,943,838	277,043,057
Other state revenues	455,839,757	512,980,545	583,777,579	383,488,212	311,578,993
Interest and investment earnings	7,473,913	3,284,271	2,347,241	1,677,255	1,389,755
Miscellaneous	21,100,757	13,409,398	19,899,924	15,948,120	7,123,591
Total general revenues	1,443,475,548	1,459,328,795	1,515,970,322	1,292,041,149	1,184,165,835
Change in net position	(72,965,481)	(41,338,067)	44,271,519	(15,348,719)	5,683,291
Net position, beginning of year	(273,253,895)	(231,915,828)	(276,187,347)	(260,838,628)	(266,521,919)
Net position, end of year	<u>\$ (346,219,376)</u>	<u>\$ (273,253,895)</u>	<u>\$ (231,915,828)</u>	<u>\$ (276,187,347)</u>	<u>\$ (260,838,628)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Net Expense	\$ (1,036,170,583)	\$ (1,022,374,713)	\$ (986,439,191)	\$ (915,258,405)	\$ (894,907,247)
General revenues					
Taxes					
Property taxes	388,628,855	380,134,468	365,737,213	358,237,321	343,812,796
Occupational taxes	132,569,312	128,882,355	120,452,400	116,762,420	110,682,462
Other taxes	46,500,119	54,640,894	34,973,193	47,887,915	43,319,554
State sources					
SEEK program	270,658,773	272,230,951	273,991,724	252,901,298	241,750,526
Other state revenues	196,206,023	193,512,525	183,731,465	180,801,232	175,984,586
Interest and investment earnings	1,663,952	978,205	1,914,029	1,557,548	2,427,240
Miscellaneous	10,032,096	7,069,045	3,951,744	1,081,261	5,091,118
Total general revenues	1,046,259,130	1,037,448,443	984,751,768	959,228,995	923,068,282
Change in net position	10,088,547	15,073,730	(1,687,423)	43,970,590	28,161,035
Net position, beginning of year	(276,610,466)	(291,684,196)	(289,996,773)	(333,967,363)	(362,128,398)
Net position, end of year	<u>\$ (266,521,919)</u>	<u>\$ (276,610,466)</u>	<u>\$ (291,684,196)</u>	<u>\$ (289,996,773)</u>	<u>\$ (333,967,363)</u>

Board of Education of Jefferson County, Kentucky

Statement of Activities—Business-Type Activities

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Business-type activities					
School food services	\$ 72,200,866	\$ 76,915,589	\$ 90,450,953	\$ 68,262,191	\$ 62,724,047
Adult education	171,152	168,158	193,589	260,184	568,257
Enterprise programs	141,308	157,129	142,516	156,576	97,329
Tuition-based pre-school	707,730	1,097,840	1,317,912	885,771	785,927
Day care operations	(435,894)	237,015	652,491	428,715	480,892
Total business-type activities	72,785,162	78,575,731	92,757,461	69,993,437	64,656,452
Program Revenues					
Lunchroom sales	3,023,797	3,004,729	3,685,798	4,031,184	5,929,215
Tuition and fees	990,066	1,167,663	1,250,197	1,130,336	1,191,051
Grants	63,395,302	64,335,594	62,744,604	61,296,869	53,716,102
Total program revenues	67,409,165	68,507,986	67,680,599	66,458,389	60,836,368
Net Expense	(5,375,997)	(10,067,745)	(25,076,862)	(3,535,048)	(3,820,084)
General revenues					
Interest	175,970	104,007	66,817	28,898	15,502
Transfers In	3,067,836	3,054,027	3,099,486	3,099,316	3,116,640
Miscellaneous					
Total general revenues	3,243,806	3,158,034	3,166,303	3,128,214	3,132,142
Change in net assets	(2,132,191)	(6,909,711)	(21,910,559)	(406,834)	(687,942)
Net position, beginning of year	(55,506,170)	(48,596,459)	(26,685,900)	(26,279,066)	(25,591,124)
Net position, end of year	<u>\$ (57,638,361)</u>	<u>\$ (55,506,170)</u>	<u>\$ (48,596,459)</u>	<u>\$ (26,685,900)</u>	<u>\$ (26,279,066)</u>

Continued



Board of Education of Jefferson County, Kentucky

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

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Business-type activities					
School food services	\$ 57,940,891	\$ 57,814,952	\$ 53,687,809	\$ 48,743,018	\$ 46,664,227
Enterprise programs	479,264	457,769	652,770	886,965	818,928
Adult education	97,470	91,921	705,302	227,840	
Tuition-based pre-school	721,285	898,025	1,027,844	1,076,500	1,747,773
Day care operations	712,447	703,320	1,314,653	1,354,524	985,099
Total business-type activities	59,951,357	59,965,987	57,388,378	52,288,847	50,216,027
Program Revenues					
Lunchroom sales	8,115,697	9,547,373	10,188,864	10,689,363	11,072,509
Tuition and fees	1,184,280	1,748,815	2,666,252	2,948,205	3,141,576
Grants	45,615,744	45,365,186	46,004,126	41,276,054	40,179,634
Total program revenues	54,915,721	56,661,374	58,859,242	54,913,622	54,393,719
Net Expense	(5,035,636)	(3,304,613)	1,470,864	2,624,775	4,177,692
General revenues					
Interest	19,302	21,294	35,840	30,255	22,078
Transfers In	3,019,304	2,979,891			
Miscellaneous					(52,221)
Total general revenues	3,038,606	3,001,185	35,840	30,255	(30,143)
Change in net position	(1,997,030)	(303,428)	1,506,704	2,655,030	4,147,549
Net position, beginning of year	(23,594,094)	(23,290,666)	(24,797,370)	(27,452,400)	(31,599,949)
Net position, end of year	<u>\$ (25,591,124)</u>	<u>\$ (23,594,094)</u>	<u>\$ (23,290,666)</u>	<u>\$ (24,797,370)</u>	<u>\$ (27,452,400)</u>



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Primary government activities					
Instruction	\$ 864,509,475	\$ 848,894,722	\$ 781,439,409	\$ 742,294,075	\$ 729,319,975
Student support services	69,122,283	66,627,124	63,459,349	58,812,027	60,064,328
Instructional staff support services	184,473,830	191,939,436	241,610,652	187,114,423	133,254,466
District administrative support services	9,417,079	8,792,408	8,409,278	7,872,803	7,711,286
School administrative support services	127,163,050	108,309,775	107,624,194	99,473,707	94,277,648
Business support services	65,847,780	70,521,907	89,888,820	81,828,482	33,236,652
Community services	28,399,457	26,377,760	33,835,506	25,466,326	16,012,870
Transportation	124,412,708	158,063,796	131,587,727	89,762,735	87,973,527
Plant operations and maintenance	118,239,225	118,322,852	109,198,091	110,347,315	108,222,195
Other	604,701	81,682	315,775	380,782	501,023
School Food services	72,200,866	76,915,589	90,450,953	68,262,191	62,724,047
Adult education	171,152	168,158	193,589	260,184	568,257
Enterprise programs	141,308	157,129	142,516	156,576	97,329
Tuition-based pre-school	707,730	1,097,840	1,317,912	885,771	785,927
Day care operations	(435,894)	237,015	652,491	428,715	480,892
Interest expense	16,106,729	17,204,330	16,139,220	16,116,139	16,244,178
Total primary activities	1,681,081,479	1,693,711,523	1,676,265,482	1,489,462,251	1,351,474,600
Program revenues					
Lunchroom sales	3,023,797	3,004,729	3,685,798	4,031,184	5,929,215
Tuition and fees	1,498,318	1,646,933	1,643,649	1,777,454	1,777,560
Grants	157,810,174	178,325,254	177,468,409	175,828,013	161,465,197
Total program revenues	162,332,289	182,976,916	182,797,856	181,636,651	169,171,972
Net Expense	\$ (1,518,749,190)	\$ (1,510,734,607)	\$ (1,493,467,626)	\$ (1,307,825,600)	\$ (1,182,302,628)

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Primary government activities					
Instruction	\$ 633,177,394	\$ 625,366,756	\$ 623,418,868	\$ 601,363,634	\$ 586,940,824
Student support services	50,729,048	51,229,772	54,160,536	52,377,988	51,213,194
Instructional staff support services	118,955,171	126,848,770	116,883,482	107,964,725	97,416,936
District administrative support services	6,972,822	6,527,172	6,710,803	7,442,377	6,712,202
School administrative support services	84,150,967	86,610,539	83,704,696	78,484,265	76,618,966
Business support services	38,844,491	43,593,985	41,172,767	35,599,686	37,261,343
Community services	9,134,416	11,083,387	8,791,352	9,727,125	9,332,818
Transportation	84,374,237	85,671,454	84,517,760	77,970,038	69,694,236
Plant operations and maintenance	103,975,188	105,742,034	108,900,724	101,928,275	94,416,023
Other	3,582,370	3,840,142	533,658	272,702	4,567,908
School Food services	54,921,587	54,921,587	53,687,809	48,743,018	46,664,227
Adult education	479,264	457,769	652,770	886,965	
Enterprise programs	97,470	91,921	705,302	227,840	818,928
Tuition-based pre-school	721,285	898,025	1,027,844	1,076,500	1,747,773
Day care operations	712,447	703,320	1,314,653	1,354,524	985,099
Interest expense	14,825,786	15,146,527	16,778,960	15,314,561	16,644,665
Total primary activities	1,205,653,943	1,218,733,160	1,202,961,984	1,140,734,223	1,101,035,142
Program revenues					
Lunchroom sales	8,115,697	9,547,373	10,188,864	10,689,363	11,072,509
Tuition and fees	2,086,769	2,849,101	4,404,965	4,145,863	4,094,523
Grants	157,264,562	183,550,725	203,399,828	213,265,367	195,138,555
Total program revenues	167,467,028	195,947,199	217,993,657	228,100,593	210,305,587
Net Expense	\$ (1,038,186,915)	\$ (1,022,785,961)	\$ (984,968,327)	\$ (912,633,630)	\$ (890,729,555)

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Net Expense	\$ (1,518,749,190)	\$ (1,510,734,607)	\$ (1,493,676,179)	\$ (1,307,825,600)	\$ (1,182,302,628)
General revenues					
Taxes					
Property taxes	480,070,360	456,911,397	432,706,453	416,365,932	397,722,644
Occupational taxes	165,754,818	162,374,610	156,387,646	151,821,629	139,825,242
Other taxes	56,671,549	53,658,834	51,729,620	47,796,163	49,482,553
State sources					
SEEK program	256,564,394	256,709,740	269,121,859	274,943,838	277,043,057
Other state revenues	455,839,757	512,980,545	583,777,579	383,488,212	311,578,993
Interest and investment earnings	7,649,883	3,388,278	2,414,058	1,706,153	1,405,257
Miscellaneous	21,100,757	16,463,425	19,899,924	15,948,120	10,240,231
Total general revenues	1,443,651,518	1,462,486,829	1,516,037,139	1,292,070,047	1,187,297,977
Change in net position	(75,097,672)	(48,247,778)	22,360,960	(15,755,553)	4,995,349
Net position, beginning of year	(328,760,065)	(280,512,287)	(302,873,247)	(287,117,694)	(292,113,043)
Net position, end of year	<u>\$ (403,857,737)</u>	<u>\$ (328,760,065)</u>	<u>\$ (280,512,287)</u>	<u>\$ (302,873,247)</u>	<u>\$ (287,117,694)</u>

Continued

Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Net Expense	\$ (1,038,186,915)	\$ (1,022,699,435)	\$ (984,968,327)	\$ (912,633,630)	\$ (890,729,555)
General revenues					
Taxes					
Property taxes	388,628,855	380,134,468	365,737,213	358,237,321	343,812,796
Occupational taxes	132,569,312	128,882,355	120,452,400	116,762,420	110,682,462
Other taxes	46,500,119	54,640,894	34,973,193	47,887,915	43,319,554
State sources					
SEEK program	270,658,773	272,230,951	273,991,724	252,901,298	241,750,526
Other state revenues	196,206,023	193,512,525	183,731,465	180,801,232	175,984,588
Interest	1,683,254	1,685,246	1,949,869	1,587,803	2,449,318
Miscellaneous	10,032,096	7,069,045	3,951,744	1,081,261	5,038,895
Total general revenues	1,046,278,432	1,037,469,737	984,787,608	959,259,250	923,038,139
Change in net position	8,091,517	14,770,302	(180,719)	46,625,620	32,308,584
Net position, beginning of year	(300,204,560)	(314,974,862)	(314,794,143)	(361,419,763)	(393,728,347)
Net position, end of year	<u>\$ (292,113,043)</u>	<u>\$ (300,204,560)</u>	<u>\$ (314,974,862)</u>	<u>\$ (314,794,143)</u>	<u>\$ (361,419,763)</u>



Board of Education of Jefferson County, Kentucky

Balance Sheet--Governmental Activities

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Assets					
Cash and investments	\$ 321,970,305	\$ 303,166,679	\$ 357,655,642	\$ 278,554,703	\$ 270,761,020
Accounts and grants receivable	41,476,385	35,137,953	33,242,664	73,609,928	37,711,654
Prepaid expenditures	2,423,932	3,202,317	3,048,750	3,149,580	4,203,103
Inventories	3,036,668	2,910,278	2,933,918	3,175,468	3,704,679
Due from other funds	120,302,539	132,618,765	134,046,497	127,344,686	129,238,358
Total Assets	\$ 489,209,829	\$ 477,035,992	\$ 530,927,471	\$ 485,834,365	\$ 445,618,814
Liabilities					
Accrued liabilities	\$ 136,135,379	\$ 138,405,815	\$ 134,474,017	\$ 114,282,923	\$ 104,580,712
Due to other funds	107,049,722	127,964,466	129,600,827	123,038,113	124,267,169
Total Liabilities	243,185,101	266,370,281	264,074,844	237,321,036	228,847,881
Fund Balances					
Nonspendable, General Fund	5,460,600	6,113,779	5,982,668	6,325,049	7,907,782
Restricted					
Capital Projects Fund	97,624,465	46,860,175	97,632,001	92,548,558	86,087,451
Special Revenue Funds	16,609,534	22,258,052	15,404,029	22,989,198	11,475,601
Assigned, General Fund	16,244,256	15,843,169	17,338,950	18,887,348	17,456,000
Committed, General Fund	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
Unassigned, General Fund	74,085,873	83,590,536	94,494,979	71,763,176	57,844,099
Total Fund Balances	246,024,728	210,665,711	266,852,627	248,513,329	216,770,933
Total Liabilities and Fund Balances	\$ 489,209,829	\$ 477,035,992	\$ 530,927,471	\$ 485,834,365	\$ 445,618,814

Continued



Board of Education of Jefferson County, Kentucky

Balance Sheet—Governmental Activities—Continued

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Assets					
Cash and investments	\$ 300,039,350	\$ 272,169,826	\$ 283,834,395	\$ 325,067,434	\$ 273,665,200
Accounts and grants receivable	32,847,816	36,686,755	43,397,301	46,609,998	42,867,310
Prepaid expenditures	4,556,994	3,019,703	2,741,976	2,375,158	4,221,212
Inventories	4,335,648	4,958,930	5,026,350	4,426,882	4,432,914
Due from other funds	109,339,833	112,763,357	127,704,525	168,930,546	127,908,470
Total Assets	\$ 451,119,641	\$ 429,598,571	\$ 462,704,547	\$ 547,410,018	\$ 453,095,106
Liabilities					
Accounts payable and accrued liabilities	\$ 110,290,529	\$ 110,169,011	\$ 111,968,326	\$ 95,632,934	\$ 93,101,911
Due to other funds	103,504,919	106,609,314	125,148,029	167,174,848	125,790,230
Deferred revenue			11,268,926	12,633,149	12,711,967
Total Liabilities	213,795,448	216,778,325	248,385,281	275,440,931	231,604,108
Fund Balances					
Nonspendable, General Fund	8,892,642	7,978,633	7,768,326	6,802,040	8,654,126
Restricted					
Capital Projects Fund	100,950,255	37,783,478	46,679,233	82,200,218	8,815,309
Special Revenue Funds	16,293,378	44,810,633			51,992,267
Assigned, General Fund	8,737,485	18,078,918	54,724,154	65,332,512	36,000,000
Committed, General Fund	36,000,000	36,000,000	36,000,000	36,000,000	26,191,701
Unassigned, General Fund	66,450,433	68,168,584	69,147,553	81,634,317	89,837,595
Total Fund Balances	237,324,193	212,820,246	214,319,266	271,969,087	221,490,998
Total Liabilities and Fund Balances	\$ 451,119,641	\$ 429,598,571	\$ 462,704,547	\$ 547,410,018	\$ 453,095,106

Board of Education of Jefferson County, Kentucky

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

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Revenues					
Local sources					
Property taxes	\$ 480,070,360	\$ 456,911,397	\$ 432,706,453	\$ 416,365,932	\$ 397,722,644
Occupational taxes	165,754,818	162,374,610	156,387,646	151,821,629	139,825,242
Other taxes	56,671,549	53,658,834	51,729,620	47,796,163	49,482,553
Grants from local agencies and donors	4,216,634	12,003,218	10,059,989	9,339,816	8,435,955
State sources					
SEEK program	256,564,394	256,709,740	269,121,859	274,943,838	277,043,057
Other state resources	346,822,857	344,927,246	240,938,705	237,803,654	229,841,535
Grants	79,215,953	91,177,791	94,954,691	95,633,844	91,141,503
Interest	7,473,913	3,284,271	2,347,241	1,677,255	1,389,755
Other sources	18,036,912	19,512,719	16,260,224	16,611,172	11,654,931
Total Revenues	1,414,827,390	1,400,559,826	1,274,506,428	1,251,993,303	1,206,537,175
Expenditures					
Instruction	763,641,366	754,517,489	659,163,029	651,704,411	626,202,625
Student support services	68,161,539	66,023,129	59,507,080	56,468,739	53,898,592
Instructional staff support services	140,842,072	155,224,231	137,792,548	133,813,433	136,595,787
District administrative support services	6,814,225	5,881,645	5,205,114	4,621,076	4,074,121
School administrative support services	115,027,172	98,562,871	87,953,654	86,072,917	86,706,811
Business support services	45,822,235	49,830,447	43,508,006	41,900,407	40,124,691
Community Services	11,083,836	10,176,026	9,673,052	9,705,648	9,785,799
Transportation	89,192,089	89,313,077	80,102,175	76,843,087	80,815,562

Continued



Board of Education of Jefferson County, Kentucky

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

Ten Years' Trend Data

	2019	2018	2017	2016	2015
Expenditures--Continued					
Plant operations and maintenance	\$ 117,438,367	\$ 118,046,299	\$ 108,680,821	\$ 109,856,870	\$ 107,834,439
Other instructional support services	64,987	60,065	32,859	31,660	27,404
Building renovations	54,170,060	52,752,999	49,013,775	54,066,235	47,130,013
Other	2,785,186	2,606,701	2,771,607	3,276,200	3,475,119
Debt service					
Principal	35,151,226	34,001,290	31,116,591	30,255,122	29,914,485
Interest	16,569,151	16,696,446	16,323,732	16,461,930	16,034,197
Total Expenditures	1,466,763,511	1,453,692,715	1,290,844,043	1,275,077,735	1,242,619,645
Other Financing Sources (Uses)					
Bond proceeds net of discounts and refunding issues	90,362,974		37,776,399	57,926,144	18,645,850
Transfers in	56,942,430	43,815,290	55,738,987	41,506,086	53,480,763
Transfers out	(60,010,266)	(46,869,317)	(58,838,473)	(44,605,402)	(56,597,403)
Total Other Financing Sources (Uses)	87,295,138	(3,054,027)	34,676,913	54,826,828	15,529,210
Net Change in Fund Balances	35,359,017	(56,186,916)	18,339,298	31,742,396	(20,553,260)
Fund Balances, Beginning of Year	210,665,711	266,852,627	248,513,329	216,770,933	237,324,193
Fund Balances, End of Year	\$ 246,024,728	\$ 210,665,711	\$ 266,852,627	\$ 248,513,329	\$ 216,770,933
Ratio of total debt service expenditures to total noncapital expenditures	0.038	0.040	0.039	0.041	0.040

Continued



Board of Education of Jefferson County, Kentucky

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

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Revenues					
Local sources					
Property taxes	\$ 388,628,855	\$ 380,134,468	\$ 365,737,213	\$ 358,237,321	\$ 343,812,796
Occupational taxes	132,569,312	128,882,355	120,452,400	116,762,420	110,682,462
Other taxes	46,500,119	54,640,894	34,973,193	47,887,915	43,319,554
Grants from local agencies and donors	9,881,427	11,197,615	10,762,323	9,354,941	11,012,824
State sources					
SEEK program	270,658,773	272,230,951	273,991,724	252,901,298	241,750,526
Other state resources	203,844,812	201,420,560	190,730,918	188,017,981	185,788,804
Grants	94,128,602	119,079,889	139,633,926	155,417,623	134,141,879
Interest	1,663,952	978,205	1,914,029	1,557,548	2,427,240
Other sources	10,814,937	11,046,052	12,903,594	10,154,529	9,564,573
Total Revenues	1,158,690,789	1,179,610,989	1,151,099,320	1,140,291,576	1,082,500,658
Expenditures					
Instruction	599,752,771	588,571,941	592,126,990	576,492,674	560,927,578
Student support services	50,904,421	51,190,099	54,328,820	52,611,443	51,321,439
Instructional staff support services	125,814,940	124,783,834	122,772,326	112,615,684	99,322,822
District administrative support services	3,643,083	3,097,758	3,409,083	4,546,755	4,227,127
School administrative support services	85,727,500	85,986,396	85,432,988	79,446,246	77,604,813
Business support services	42,730,714	42,920,067	43,684,780	37,497,739	37,661,780
Community Services	9,605,723	9,747,355	9,809,151	9,483,899	9,174,771
Transportation	85,953,279	79,557,078	87,314,648	77,350,835	68,806,202

Continued

Board of Education of Jefferson County, Kentucky

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

Ten Years' Trend Data

	2014	2013	2012	2011	2010
Expenditures--Continued					
Plant operations and maintenance	\$ 103,957,976	\$ 105,710,395	108,826,313	101,796,786	94,181,196
Other instructional support services	10,000	54,928	335,179	272,702	275,380
Capital outlay	48,640,389	60,142,086	63,027,554	47,050,306	39,087,629
Other	3,358,550	3,754,979	3,899,135	4,164,745	4,373,144
Debt service					
Principal	34,623,248	34,170,699	27,060,652	25,155,984	26,651,664
Interest	15,265,077	16,023,720	17,058,154	15,655,119	17,281,673
Total Expenditures	1,209,987,671	1,205,711,335	1,219,085,773	1,144,140,917	1,090,897,218
Other Financing Sources (Uses)					
Bond proceeds net of discounts and refunding issues	78,820,133	27,581,217	13,383,020	57,327,491	531,824
Transfers in	77,555,249	112,371,790	64,712,448	134,838,548	109,483,200
Transfers out	(80,574,553)	(115,351,681)	(67,758,836)	(137,838,609)	(112,559,785)
Total Other Financing Sources (Uses)	75,800,829	24,601,326	10,336,632	54,327,430	(2,544,761)
Net Change in Fund Balances	24,503,947	(1,499,020)	(57,649,821)	50,478,089	(10,941,321)
Fund Balances, Beginning of Year	212,820,246	214,319,266	271,969,087	221,490,998	232,432,319
Fund Balances, End of Year	\$ 237,324,193	\$ 212,820,246	\$ 214,319,266	\$ 271,969,087	\$ 221,490,998
Ratio of total debt service expenditures to total noncapital expenditures	0.044	0.044	0.042	0.040	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
2019	\$ 864,509,475	\$ 69,122,283	\$ 184,473,830	\$ 9,417,079	\$ 127,163,050	\$ 65,847,780	\$ 28,399,457	\$ 124,412,708	\$ 118,239,225
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

	Other	Other	Interest	School Food	Adult Education ²	Enterprise	Tuition-based	Daycare	Total
2019		\$ 604,701	\$ 16,106,729	\$ 72,200,866	\$ 171,152	\$ 141,308	\$ 707,730	\$ (435,894)	\$ 1,681,081,479
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		3,840,142	15,146,527	54,921,587	457,769	91,921	898,025	703,320	1,218,733,160
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

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 Services depending on the nature of the expense. Daycare Operations was segregated as a fund in 2007.

Board of Education of Jefferson County, Kentucky

General Government Revenues by Type¹

Ten Years' Trend Data

	Charges for Service	Grants & Contributions	Property Taxes	Occupational Taxes	Other Taxes
2019	\$ 4,522,115	\$ 157,810,174	\$ 480,070,360	\$ 165,754,818	\$ 56,671,549
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

	SEEK State Revenues	Other State Revenues	Interest Income	Other Revenues	Total
2019	\$ 256,564,394	\$ 455,839,757	\$ 7,649,883	\$ 21,100,757	\$ 1,605,983,807
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

¹ General government includes all governmental and enterprise funds.

Board of Education of Jefferson County, Kentucky

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>
2019	72.5	72.5	58.5	71.5
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

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.

¹ Cents per \$100 assessment

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
2019	\$ 516,657,825	\$ 492,745,653	95.4%	\$ 12,269,041	\$ 505,014,694	97.7%
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%

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)
2019	\$ 62,682,776,578	\$ 4,798,195,140	\$ 2,655,839,191	\$ 5,478,733,432	\$ 270,677,922	\$ 75,886,222,263	\$ 75,886,222,263	71.49
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

Source: Jefferson County Property Valuation Administration



Board of Education of Jefferson County, Kentucky

Property Taxes, As Assessed

Ten Years' Trend Data

	Real Estate	Tangible Property	Franchise	Motor Vehicle	Distilled Spirits	Total Property Taxes as Assessed	Estimated Actual Tax Value
2019	\$ 454,450,130	\$ 34,786,915	\$ 19,254,834	\$ 32,050,591	\$ 1,962,415	\$ 542,504,885	\$ 542,504,885
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

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, 2019

Company	2018-19 School Tax Paid	Percent of Total Revenues	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Louisville Gas & Electric	\$ 12,246,131	2.5%	\$ 10,556,090	\$ 9,852,494	\$ 8,576,005	\$ 7,425,245	**	\$ 13,319,323	**	\$ 5,991,821	\$ 4,769,000
AT&T	2,021,290	0.4%	4,040,910	\$ 1,018,524	1,317,004	1,379,343	**	**	\$ 2,352,538	2,352,538	**
Humana	1,778,260	0.4%	1,308,112	1,305,761	1,280,785	931,639	\$ 779,381	920,799	655,877	979,751	1,187,779
Walmart	1,468,730	0.3%	**	**	**	**	874,965	937,487	865,716	**	714,471
United Parcel Service	1,406,678	0.3%	1,095,192	1,770,143	1,169,732	831,367	897,930	1,621,721	1,228,844	823,561	595,519
BT Property	1,396,092	0.3%	1,276,264	910,013	889,611	897,653	1,191,344	817,270	775,222	**	590,411
Insight	1,260,698	0.3%	2,583,952	**	1,294,204	1,270,617	**	**	1,267,377	1,267,377	**
Omni	1,087,258	0.2%	**	**	**	**	**	**	**	**	**
Brown-Forman	1,050,597	0.2%	828,514	754,799	**	**	**	**	**	**	**
Galt House	\$ 1,018,268	0.2%	947,034	973,518	872,936	758,816	671,005	423,544	**	**	**

** 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		51,729,620
	\$	484,436,073

Source: Jefferson County Sheriff



Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates

For Tax Year 2019

	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)	72.50	72.50	72.50				
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	28.20	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	10.00	0.00	0.00	Green Spring	16.50	17.80	0.00
Bellemeade	7.00	0.00	0.00	Heritage Creek	20.60	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	21.50	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	24.25	0.00	0.00	Hurstbourne	16.90	0.00	0.00
Brownsboro Village	22.39	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	14.01	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	13.10	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 2019

	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	11.70	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	17.00	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	24.00	0.00	0.00
Murray Hill	17.80	0.00	0.00	Ten Broeck	8.88	0.00	0.00
Norbourne Estates	16.80	0.00	0.00	Thornhill	12.00	0.00	0.00
Nothfield	15.40	0.00	0.00	Watterson Park	8.20	6.50	7.50
Norwood	18.10	0.00	0.00	Wellington	18.24	0.00	0.00
Old Brownsboro Place	34.00	0.00	0.00	West Buechel	20.00	0.00	0.00
Parkway Village	17.30	0.00	0.00	Westwood	14.30	0.00	0.00
Plantation	29.00	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	12.50	0.00	0.00	Woodland Hills	12.00	0.00	0.00
Riverwood	17.92	0.00	0.00	Woodlawn Park	16.60	0.00	0.00
Rolling Fields	11.60	0.00	0.00	Worthington Hills	20.47	0.00	0.00
Rolling Hills	18.51	0.00	0.00				
Saint Matthews	20.00	0.00	0.00				

¹ Cents per \$100 assessment

Continued

Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates--Continued

For Tax Year 2019

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Anchorage/Middletown Fire & EMS*	14.50	14.50	14.50
Buechel Fire District	20.00	20.00	20.00
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	14.00	14.00	14.00
Highview Fire District	10.00	10.00	10.00
Jeffersontown/McMahan Fire District **	15.00	15.00	15.00
Lake Dreamland Fire District	10.00	10.00	10.00
Louisville Downtown Management District	7.45	0.00	0.00
Lynnview Garbage Fund	10.00	10.00	10.00
Okolona Fire District	10.00	10.00	10.00
Pleasure Ridge Park Fire District	15.00	15.00	15.00
St Matthews/Lyndon 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

* : In 2018, Anchorage Ambulance District, Anchorage Fire District, & Middletown Fire District merged to form Anchorage/Middletown Fire & EMS

** : In 2018, Jeffersontown Fire District & McMahan Fire District #14 merged together to form Jeffersontown/McMahan Fire

*** : In 2018, St. Mathews Fire District & Lyndon Fire District merged to form St. Mathews/Lyndon Fire

Board of Education of Jefferson County, Kentucky

Principal Employers by Number of Employees

December 31, 2018 and Nine Comparison Years

	2018	Percent of Jefferson County's Employees	2017	2016	2015
United Parcel Service	21,233	6.1%	22,354	22,080	22,189
Jefferson County Public Schools	14,476	4.0%	14,553	14,739	14,719
Ford Motor Co.	12,600	3.5%	12,600	12,990	9,028
Norton Healthcare Inc.	12,247	3.3%	11,944	11,389	10,739
Humana Inc.	12,000	3.4%	12,500	12,500	12,900
University of Louisville	6,933	1.9%	7,065	6,375	6,264
Amazon.com	6,500	1.8%	6,500	6,500	6,000
Louisville Metro Government	6,226	1.7%	6,192	6,095	5,584
Baptist Healthcare System	6,159	1.9%	6,786	4,995	5,116
GE Appliances	6,000	1.6%	6,000	6,000	6,000
KentuckyOne Health Inc	6,000	1.6%	6,000	6,000	6,000
The Kroger Co	3,079	0.8%	3,079	4,626	4,892
Spectrum (Formerly Charter Communications)	2,400	0.7%	2,400	1,200	
Manna Inc.	2,300	0.7%	2,600	3,120	2,400
Archdiocese of Louisville	2,252	0.7%	2,660	2,263	2,237
LG&E and KU Energy LLC	2,162	0.6%	2,201	2,211	1,993
ResCare Inc.	1,948	0.5%	1,948	2,435	1,312
Robley Rex VA Medical Center	1,816	0.5%	1,800	1,900	
Bullitt County Public Schools	1,736	0.5%	1,718	1,739	
U.S. Postal Service	1,691	0.5%	1,896	2,401	2,546

Source: Business First magazine

Continued

Board of Education of Jefferson County, Kentucky

Principal Employers by Number of Employees-Continued

December 31, 2018 and Nine Comparison Years

	2014	2013	2012	2011	2010
United Parcel Service	20,931	20,047	20,117	20,288	20,125
Jefferson County Public Schools	14,676	14,269	14,366	13,840	13,964
Ford Motor Co.	8,987	8,347	8,696	3,847	5,397
Norton Healthcare Inc.	10,245	9,666	9,658	9,421	8,698
Humana Inc.	12,371	11,235	11,000	10,017	9,400
University of Louisville	6,161	6,187	6,273	5,746	6,352
Amazon.com					
Louisville Metro Government	5,654	5,651	5,698	5,706	5,765
Baptist Healthcare System	5,339	4,854	4,219	3,752	3,889
GE Appliances	6,230	6,000	5,000	3,988	4,100
KentuckyOne Health inc	5,602	8,993	5,898	5,819	5,782
The Kroger Co	5,417	5,152		5,313	5,692
Spectrum (Formerly Charter Communications)					
Manna Inc.	2,250	1,550			
Archdiocese of Louisville	2,260	2,345	2,352	2,416	2,142
LG&E and KU Energy LLC	2,178	2,131	2,066	1,976	1,976
ResCare Inc.					
Robley Rex VA Medical Center					
Bullitt County Public Schools					
U.S. Postal Service	2,509	2,653	1,991	2,626	2,651

Source: Business First magazine

Board of Education of Jefferson County, Kentucky

Occupational Tax Revenues

Ten Years' Trend Data

2019	\$	165,754,818
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

Occupational tax rates have been 0.75% of salaries & wages of Jefferson County workers for the entire period.



Board of Education of Jefferson County, Kentucky

Total Bonded Debt by Responsible Party

Presented for Life of Bonds

Jefferson County Board of Education			
Year Ending June 30, 2019	Principal	Interest	Total Repayments
2020	\$ 22,747,011	\$ 12,399,176	\$ 35,146,187
2021	23,419,061	11,728,257	35,147,318
2022	26,081,175	10,920,971	37,002,146
2023	27,301,294	9,964,431	37,265,725
2024	23,272,918	9,165,205	32,438,123
2025-2029	118,379,617	56,690,243	175,069,860
2030-2034	101,091,623	12,895,819	113,987,442
2035-2039	20,797,155	1,369,831.79	22,166,987
	<u>\$ 363,089,854</u>	<u>\$ 125,133,934</u>	<u>\$ 488,223,788</u>

Metro Louisville			
Year Ending June 30, 2019	Principal	Interest	Total Repayments
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	100,385	2,610	102,995
2025-2029	-	-	0
2030-2034	-	0.00	0.00
2035-2039	-	0.00	0.00
	<u>\$ 479,158</u>	<u>\$ 35,813</u>	<u>\$ 514,971</u>

Kentucky School Facilities Construction Commission			
Year Ending June 30, 2019	Principal	Interest	Total Repayments
2020	\$ 7,366,466	\$ 2,891,447	\$ 10,257,913
2021	7,182,358	2,695,845	9,878,203
2022	6,358,091	2,504,554	8,862,645
2023	6,540,771	2,322,985	8,863,756
2024	6,746,697	2,117,973	8,864,670
2025-2029	24,738,580	7,595,248	32,333,828
2030-2034	20,587,313	3,697,269	24,284,582
2035-2039	9,067,845	613,298	9,681,143
	<u>\$ 88,588,121</u>	<u>\$ 24,438,620</u>	<u>\$ 113,026,741</u>

Total Principal payments	\$ 452,157,133
Total Interest payments	149,608,367
Total Repayments	<u>\$ 601,765,500</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

Bond Issue	Jefferson County Board of Education	Kentucky School Facilities Construction Commission	Metro Louisville	Total
2002A	\$ 11,815,000			\$ 11,815,000
2008B QZAB	5,200,000			5,200,000
2010A	4,290,000			4,290,000
2010B	9,500,000			9,500,000
2010C QSCB	11,183,936			11,183,936
2011A QSCB	4,243,197			4,243,197
2012A		\$ 9,740,000		9,740,000
2012B	1,340,892	8,639,950	\$ 479,158	10,460,000
2012C	11,155,000			11,155,000
2012D	26,235,000			26,235,000
2013A	20,585,978	164,022		20,750,000
2013B	21,541,573	7,313,427		28,855,000
2013C	29,565,000			29,565,000
2014A	33,698,514	7,471,486		41,170,000
2014B	4,193,442	2,316,558		6,510,000
2015A		14,275,000		14,275,000
2015B	32,860,000			32,860,000
2015C	14,505,000			14,505,000
2016A	18,967,520	19,112,480		38,080,000
2016B		6,015,000		6,015,000
2017A	31,265,000			31,265,000
21018A	16,084,802	13,540,198		29,625,000
2019A	54,860,000			54,860,000
	<u>\$ 363,089,854</u>	<u>\$ 88,588,121</u>	<u>\$ 479,158</u>	<u>\$ 452,157,133</u>



Board of Education of Jefferson County, Kentucky

Overlapping/Direct Debt and Bond Analysis Ratios

As of June 30, 2019

Governmental Unit	Gross Debt Outstanding	Percentage Applicable to Jefferson County Taxpayers	Jefferson County Taxpayers Share of Debt
Direct Debt:			
Jefferson County Public Schools	\$ 452,157,133	100%	\$ 452,157,133
Overlapping Debt ¹ :			
Louisville/Jefferson County Metro Government			
Revenue Bonds	31,687,515	100%	31,687,515
General Obligation Debt	469,910,738	100%	469,910,738
	<u>501,598,253</u>		<u>501,598,253</u>
Total Overlapping and Direct Debt	<u>\$ 953,755,386</u>		<u>\$ 953,755,386</u>
Total Overlapping and Direct Debt Per Capita	0.0261	Total Overlapping and Direct to 2014 Total Personal Income	\$ 0.0292
Direct Debt Per Capita		Total Direct Debt to 2014 Total Personal Income	\$ 0.0138
Net Bonded Debt to Assessed Value	0.0143		
Debt Service Expenditures to Total Governmental Expenditures	0.0319	¹ Percent of overlapping debt applicable to Jefferson County taxpayers calculated as 100% due to coterminus boundaries	
Governmental Revenues Coverage (Divided by Debt Service Expenditures)	31.0581		



Board of Education of Jefferson County, Kentucky

Ratios of Debt Outstanding

Ten Year Trend

Fiscal Year	Jefferson Co. Board of Education Government	Jefferson Co. Board of Education Proprietary	Kentucky School Facilities Construction Commission	School Based Neighborhood Places funded by Metro Louisville	Total	Debt Service Coverage ¹	Percent of Personal Income	Debt Per Capita
2019	\$ 363,089,854	\$ -	\$ 88,588,121	\$ 479,158	\$ 452,157,133	1.15	1.24%	\$ 586
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

¹ Statutorily, revenues in two funds are used for debt service, with any remainder paid by General Fund. Coverage ratio is the total revenues in Capital Outlay and Building Fund divided by debt service expenses for the year.

Board of Education of Jefferson County, Kentucky

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 Estimates ²	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>
2019	\$ 36,522,814,038	\$ 47,361	\$ 1,004	384,318	16,269	4.1%
2018	36,522,814,038	47,361	1,004	376,784	17,464	4.4%
2017	36,522,814,038	47,361	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%

Source: US Department of Labor, Bureau of Labor Statistics



Board of Education of Jefferson County, Kentucky

Number of Employees by Functional Duties

June 30, 2019

Function	2019	2018	2017	2016	2015
Instruction	4,918	5,234	5,353	5,458	5,465
Home and Hospital Instruction	8	8	8	8	8
Other Instructional Programs	3,248	3,080	2,880	2,756	2,754
Student Support Services	568	543	528	506	520
Instructional Staff Support Services	1,125	1,220	1,133	1,148	1,167
District Administrative Support Services	38	29	29	28	25
School Administrative Support Services	1,171	1,041	1,025	1,022	1,015
Business Support Services	297	299	296	281	265
Plant Operations and Maintenance	1,114	1,101	1,099	1,082	1,099
Student Transportation	1,245	1,226	1,173	1,176	1,313
Food Service Operations	939	949	956	906	846
Day Care Operations	1	4	5	6	6
Community Service Operations	122	111	112	112	108
Architectural and Engineering Services	7	8	8	7	6
	<u>14,801</u>	<u>14,853</u>	<u>14,605</u>	<u>14,496</u>	<u>14,597</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>
2019	35,763	21,233	28,358	7,183	2,420	2,899	97,856
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

Reflects First Month Enrollment

Board of Education of Jefferson County, Kentucky

School Building Capacity Data

Ten Years' Trend Data

School Name	Square Footage	2018-19		2017-18		2016-17		2015-16		2014-15	
		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	353	350	335	450	316	450	277		
Atherton High	204,019	1490	1,462	1490	1,471	1490	1,473	1,350	1,365	1,350	1,353
Atkinson Elementary	73,902	720	360	720	444	720	461	720	461	720	436
Auburndale Elementary	59,966	624	617	624	609	624	606	620	603	620	624
Audubon Traditional Elem.	51,227	628	622	628	618	628	622	612	621	612	616
Ballard High	278,137	2050	1,920	2050	1,895	2050	1,943	2,050	1,958	2,050	1,978
Barret Traditional Middle	107,195	654	641	654	645	654	647	654	645	654	646
Bates Elementary	48,508	571	560	571	553	571	541	609	553	609	550
Blake Elementary	60,916	548	506	548	526	548	515	548	506	548	496
Bloom Elementary	61,676	560	556	535	549	535	548	535	532	535	521
Blue Lick Elementary	55,333	560	530	560	513	560	522	560	513	560	706
Bowen Elementary	63,960	752	729	752	712	752	726	752	727	752	706
Brandeis Elementary	55,400	594	547	594	561	594	578	570	599	570	586
Breckinridge Metropolitan High ¹	61,737	149	124	149	110	149	137	106	140	106	124
Breckinridge/Franklin Elementary	78,293	578	470	578	467	578	483	578	479	578	493
Brown School	157,340	860	731	720	720	720	701	720	700	720	692
Buechel Metropolitan High	53,221									181	153
Butler Traditional High	210,238	1680	1,681	1680	1,686	1680	1,688	1,650	1,680	1,650	1,695
Byck Elementary	72,698	640	383	640	489	640	532	624	568	624	579
Camp Taylor Elementary	58,936	568	398	568	441	568	447	598	449	598	482
Cane Run Elementary	60,107	536	455	536	412	536	437	574	424	574	406
Carrithers Middle	92,976	800	691	800	712	800	680	800	703	800	559
Carter Elementary	96,030	612	600	612	593	612	608	612	617	612	596

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2013-14		2012-13		2011-12		2010-11		2009-10	
		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	1,266	1,350	1,269	1,250	1,269	1,250	1,171	1,250	1,159
Atkinson Elementary	67,912	720	428	720	418	720	385	755	407	755	413
Auburndale Elementary	52,820	620	627	620	624	620	621	640	609	640	559
Audubon Traditional Elem.	51,615	612	618	612	621	612	622	612	624	612	622
Ballard High	251,954	2,050	2,003	2,050	1,953	1,980	1,975	1,800	1,863	1,800	1,771
Barret Traditional Middle	107,695	654	639	654	638	654	641	654	641	654	642
Bates Elementary	48,374	609	563	609	563	609	542	605	548	605	547
Blake Elementary	57,416	548	506	548	472	548	427	548	461	548	472
Bloom Elementary	67,415	535	535	535	533	535	532	466	535	466	532
Blue Lick Elementary	45,356	560	454	560	481	560	491	560	489	560	498
Bowen Elementary	57,010	752	722	752	720	752	730	763	709	763	746
Brandeis Elementary	55,400	570	599	570	561	570	565	526	569	526	556
Breckinridge Metropolitan High ¹	63,612	106	117	122	106	122	122				
Breckinridge/Franklin Elementary	78,404	578	479	578	437	578	398	578	382	578	342
Brown School	249,716	720	739	718	729	605	726	605	679	605	635
Buechel Metropolitan High ¹	46,759	181	127	213	181	213	213				
Butler Traditional High	219,238	1,650	1,693	1,650	1,677	1,635	1,673	1,630	1,672	1,630	1,662
Byck Elementary	67,558	624	621	614	593	608	613	583	615	583	572
Camp Taylor Elementary	59,199	598	470	568	470	568	483	568	488	568	469
Cane Run Elementary	59,840	574	400	574	427	574	464	574	487	574	458
Carrithers Middle	92,976	800	558	800	598	800	546	800	549	800	508
Carter Elementary	164,775	612	591	612	599	612	597	596	599	596	592

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2018-19		2017-18		2016-17		2015-16		2014-15	
		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
Central High	233,564	1,400	1,259	1,400	1,183	1,400	1,110	1,400	1,120	1,400	1,107
Chancey Elementary	76,000	750	624	750	653	750	665	765	730	765	710
Chenoweth Elementary	55,842	640	525	640	556	640	543	640	513	640	514
Churchill Park School ¹	82,200	120	120	80	151	80	136	89	138	89	159
Cochran Elementary	56,645	514	324	514	408	514	368	514	267	514	347
Cochrane Elementary	61,325	520	476	520	456	520	430	520	438	520	373
Coleridge Taylor Elementary	73,437	750	517	750	615	750	649	750	619	750	644
Conway Middle	101,137	950	814	950	816	950	833	950	840	950	889
Coral Ridge Elementary	53,751	562	548	562	553	562	527	562	524	562	502
Crosby Middle	98,894	1,290	1,090	1,290	1,131	1,290	1,296	1,405	1,315	1,405	1,417
Crums Lane Elementary	61,350	542	432	542	465	542	481	550	529	550	503
Dixie Elementary	44,573	500	436	500	451	500	471	480	469	480	444
Doss High	237,309	1,600	1,013	1,600	1,102	1,600	1,072	1,600	1,087	1,600	1,049
Dunn Elementary	51,816	615	534	615	528	615	570	610	563	610	580
DuPont Maunal High	249,048	1,920	1,921	1,880	1,919	1,880	1,901	1,850	1,896	1,850	1,896
Eastern High	299,962	2,090	2,065	2,090	2,088	2,090	2,024	2,090	2,073	2,090	2,069
Eisenhower Elementary	59,511	672	582	672	572	672	602	584	612	584	617
Engelhard Elementary	56,137	500	377	500	366	500	409	530	435	530	435
ESL Newcomer Academy (New 16-17)			395		480		517				
Fairdale Elementary	64,726	669	578	669	569	669	606	669	621	669	603
Fairdale High Magnet Career Academy	270,295	1,600	1,279	1,600	1,204	1,600	1,173	1,600	1,164	1,600	1,139
Farmer Elementary (New 07-08)	79,550	790	769	760	747	760	765	788	760	788	751
Farnsley Middle (Formerly Williams Middle)	129,979	1,150	1,095	1,150	1,059	1,150	1,048	1,150	1,067	1,150	1,108
Fern Creek Elementary	62,617	727	634	727	594	727	644	788	669	788	728
Fern Creek Traditional High	247,769	1,775	1,778	1,650	1,685	1,650	1,599	1,575	1,595	1,575	1,548
Field Elementary	55,945	446	407	446	413	446	405	446	414	446	410
Foster Traditional Academy	79,800	660	525	660	584	660	592	650	655	650	649

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2013-14		2012-13		2011-12		2010-11		2009-10	
		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	1,123	1,400	1,144	1,400	1,116	1,400	1,088	1,400	1,041
Chancey Elementary	151,957	765	711	765	737	765	700	765	724	765	725
Chenoweth Elementary	57,431	640	520	640	520	640	527	640	520	640	515
Churchill Park School ¹	82,200	89	161	210	159	210	194				
Cochran Elementary	56,645	514	378	514	396	514	385	514	399	514	393
Cochrane Elementary	52,724	520	460	520	495	500	509	495	486	495	405
Coleridge Taylor Elementary	73,437	750	641	750	632	750	632	750	648	750	652
Conway Middle	99,073	950	925	950	901	950	887	950	874	950	905
Coral Ridge Elementary	53,751	562	489	562	493	562	465	562	459	562	464
Crosby Middle	98,894	1,405	1,440	1,450	1,402	1,450	1,402	1,120	1,337	1,120	1,229
Crums Lane Elementary	53,230	550	491	550	496	550	480	550	448	550	423
Dixie Elementary	44,573	480	401	480	384	480	437	468	442	468	456
Doss High	237,403	1,600	1,029	1,600	913	1,600	924	1,600	911	1,600	963
Dunn Elementary	51,816	610	616	607	611	607	594	603	590	603	599
DuPont Maunal High	249,048	1,850	1,877	1,850	1,895	1,850	1,888	1,800	1,893	1,800	1,859
Eastern High	241,428	2,090	2,054	2,090	2,119	2,090	2,118	1,800	2,150	1,800	2,170
Eisenhower Elementary	56,195	584	616	584	571	584	581	551	554	551	553
Engelhard Elementary	50,212	530	452	530	430	530	409	480	436	480	444
ESL Newcomer Academy											
Fairdale Elementary	67,584	669	576	669	559	669	563	669	558	669	538
Fairdale High Magnet Career Academy	285,863	1,600	1,080	1,600	1,095	1,600	1,004	1,600	1,004	1,600	952
Farmer Elementary (New 07-08)	79,550	788	774	761	763	740	737	650	694	650	617
Farnsley Middle (Formerly Williams Middle)	123,433	1,150	1,151	1,120	1,129	1,120	1,134	1,010	1,124	1,010	1,109
Fern Creek Elementary	56,020	788	781	780	801	765	789	796	773	796	771
Fern Creek Traditional High	249,569	1,575	1,463	1,575	1,454	1,575	1,433	1,575	1,472	1,575	1,568
Field Elementary	48,818	446	427	446	424	446	423	426	438	426	459
Foster Traditional Academy	80,743	650	632	650	622	650	623	650	662	650	651

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2018-19		2017-18		2016-17		2015-16		2014-15	
		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	68,142	522	354	522	363	522	380	522	380	522	371
Robert Frost Middle	77,553	700	423	700	470	700	435	700	169	700	219
Gilmore Lane Elementary	39,483	412	258	412	276	412	289	412	293	412	289
Goldsmith Elementary	50,464	683	599	683	584	683	611	683	631	683	607
Greathouse/Shryock Elem.	61,555	620	615	620	616	620	618	612	612	612	607
Greenwood Elementary	50,667	570	488	570	506	570	540	565	535	565	563
Gutermuth Elementary	53,378	541	385	541	402	541	414	563	444	563	437
Hartstern Elementary	53,718	592	463	592	464	592	469	592	469	592	473
Hawthorne Elementary	62,659	507	466	507	467	507	472	507	487	507	492
Hazelwood Elementary	104,673	620	529	620	477	620	492	696	471	696	480
Highland Middle	120,249	1,200	900	1,200	919	1,200	929	1,227	1,035	1,227	1,089
Hite Elementary	45,720	526	473	526	491	526	495	526	507	526	499
Indian Trail Elementary	45,660	537	436	537	446	537	472	537	447	537	421
Iroquois High	293,374	1,450	1,204	1,450	1,283	1,450	1,269	1,450	1,173	1,450	1,158
Jacob Elementary	64,800	700	584	700	623	700	656	698	687	698	677
Jefferson County Trad. Middle	120,513	929	921	929	930	929	918	929	918	929	917
Jefferson County High School (New 06-07)			383		428		237		286		425
Jefferson, Thomas Middle	206,213	1,425	1,082	1,425	998	1,425	901	1,425	858	1,425	853
Jeffersontown Elementary	69,309	766	684	766	720	766	754	819	766	819	765
Jeffersontown High Magnet Career	332,591	1,600	986	1,600	1,107	1,600	1,158	1,600	1,297	1,600	1,389
Johnson Traditional Middle	136,185	980	897	980	869	980	887	980	904	980	909
Johnsontown Road Elementary	46,556	487	321	487	352	487	417	487	416	487	430
Kammerer Middle	127,480	1,120	969	1,120	930	1,120	890	1,120	904	1,120	939
Kennedy Metropolitan ¹	45,627									84	73
Kennedy Montessori Elementary	58,592	640	586	640	599	640	574	620	559	620	605
Kenwood Elementary	46,843	600	580	600	571	600	607	615	588	615	588
Kerrick Elementary	46,870	582	424	582	479	582	455	540	459	540	459

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2013-14		2012-13		2011-12		2010-11		2009-10	
		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	352	522	373	522	375	522	406	522	371
Frost Middle	76,851	700	494	700	529	700	423	700	473	700	459
Gilmore Lane Elementary	39,483	412	312	412	373	412	367	407	361	407	399
Goldsmith Elementary	42,994	683	619	683	678	672	690	650	674	650	665
Greathouse/Shryock Elem.	51,054	612	609	612	610	612	612	612	610	612	611
Greenwood Elementary	42,848	565	564	565	561	562	562	556	565	556	547
Gutermuth Elementary	53,378	563	410	563	443	563	447	563	483	563	478
Hartstern Elementary	52,655	592	470	592	448	592	442	592	499	592	477
Hawthorne Elementary	42,510	507	496	507	477	487	490	484	484	484	436
Hazelwood Elementary	83,381	696	460	696	435	696	444	696	443	696	413
Highland Middle	123,574	1,227	1,156	1,227	1,189	1,200	1,195	1,025	1,118	1,025	1,077
Hite Elementary	45,720	526	500	526	530	523	517	513	521	513	498
Indian Trail Elementary	40,225	537	453	537	498	537	481	537	510	537	474
Iroquois High	296,110	1,450	1,100	1,450	1,193	1,450	1,174	1,450	1,104	1,450	1,182
Jacob Elementary	61,250	698	707	698	688	690	697	675	668	675	625
Jefferson County Trad. Middle	120,513	929	922	929	925	929	895	929	908	929	906
Jefferson County High School (New 06-07)			485		439		338		276		291
Jefferson, Thomas Middle	224,413	1,425	896	1,425	898	1,425	966	1,425	1,002	1,425	908
Jeffersontown Elementary	69,305	819	780	819	794	819	794	778	767	778	776
Jeffersontown High Magnet Career	298,488	1,600	1,434	1,600	1,471	1,600	1,366	1,600	1,224	1,600	1,160
Johnson Traditional Middle	136,185	980	912	980	932	980	940	959	951	959	966
Johnsontown Road Elementary	47,096	487	404	487	429	487	455	471	465	471	452
Kammerer Middle	112,682	1,120	1,064	1,100	1,074	1,050	1,033	1,050	936	1,050	904
Kennedy Metropolitan ¹	36,765	84	71	77	86	77	82				
Kennedy Montessori Elementary	58,592	620	619	620	622	620	586	600	598	600	597
Kenwood Elementary	47,319	615	584	615	590	615	595	600	592	600	577
Kerrick Elementary	49,808	540	444	540	480	540	482	540	492	540	483

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2018-19		2017-18		2016-17		2015-16		2014-15	
		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	394	550	400	550	423	550	470	550	456
Klondike Lane Elementary	57,300	650	418	650	438	650	476	732	516	732	569
Knight Middle	101,218	700	438	700	419	700	406	700	407	700	411
Lassiter Middle	103,834	1,100	1,071	950	1,002	950	900	900	913	900	925
Laukhuf Elementary	61,426	600	484	600	457	600	443	600	446	600	455
Layne Elementary	50,740	518	355	518	417	518	447	541	463	541	469
Liberty High	100,329	281	280	222	269	222	275	270	404	270	385
Lincoln Elementary Performing Arts	96,825	560	569	566	564	566	562	500	556	500	544
Louisville Male High	187,678	2,050	1,958	1,915	1,961	1,915	1,891	1,763	1,806	1,763	1,781
Lowe Elementary	59,560	620	584	620	600	620	602	620	606	620	606
Luhr Elementary	46,943	524	478	524	503	524	482	524	483	524	477
Maupin Elementary	74,000	675	328	675	313	675	367	675	473	675	485
McFerran Preparatory Academy	160,000	1,020	909	1,020	907	1,020	901	1,020	971	1,020	874
Medora Elementary	39,537	463	454	463	459	463	454	463	455	463	442
Meyzeek Middle	134,645	1,200	1,112	1,200	1,107	1,200	1,138	1,200	1,101	1,200	1,123
Middletown Elementary	58,553	645	562	645	562	645	595	645	611	645	598
Mill Creek Elementary	48,611	564	486	564	503	564	508	564	490	564	484
Minor Daniels (New 15-16)	46,759		188		212		167		165		
Minors Lane Elementary	51,721	529	395	529	431	529	454	600	447	600	446
Moore Middle/High	263,686	2,300	2,300	2,190	2,142	2,190	2,014	2,190	2,004	2,070	1,984
Myers Middle	97,164							1,010	129	1,010	324
Newburg Middle	119,000	1,100	1,040	1,100	1,077	1,100	1,040	1,112	1,061	1,112	1,020
Noe Middle	151,960	1,350	1,351	1,350	1,336	1,350	1,360	1,332	1,327	1,332	1,331
Norton Commons Elementary (New 16-17)	60,724	784	552	784	488	784	404				
Norton Elementary	60,724	768	710	768	722	768	724	768	736	768	732
Okolona Elementary	50,950	501	326	501	324	501	313	501	310	501	346

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2013-14		2012-13		2011-12		2010-11		2009-10	
		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	457	550	486	550	441	484	499	484	531
Klondike Lane Elementary	57,300	732	617	732	681	732	727	658	696	658	709
Knight Middle	101,568	700	435	700	472	700	456	700	537	700	560
Lassiter Middle	103,834	900	855	900	754	900	751	925	817	925	784
Laukhuf Elementary	56,209	600	464	600	448	600	442	620	472	620	498
Layne Elementary	50,740	541	472	541	500	541	466	514	503	514	513
Liberty High	100,329	270	366	263	349	373	330	n/a	462	n/a	414
Lincoln Elementary	63,067	500	493	439	445	439	401	439	373	439	275
Louisville Male High	209,752	1,763	1,755	1,763	1,735	1,763	1,688	1,634	1,732	1,634	1,785
Lowe Elementary	59,560	620	620	615	614	608	615	600	611	600	611
Luhr Elementary	49,373	524	486	524	493	524	494	524	500	524	492
Maupin Elementary	74,000	675	496	675	497	675	507	675	528	675	504
McFerran Preparatory Academy	334,503	1,020	917	1,020	903	996	972	1,062	946	1,062	920
Medora Elementary	39,537	463	444	463	440	463	435	424	440	424	460
Meyzeek Middle	134,645	1,200	1,140	1,200	1,115	1,200	1,117	1,200	1,051	1,200	1,062
Middletown Elementary	58,553	645	603	645	620	645	609	632	611	632	647
Mill Creek Elementary	49,651	564	475	564	509	564	503	564	504	564	486
Minor Daniels	46,759										
Minors Lane Elementary	51,721	600	384	600	383	600	365	600	329	600	330
Moore Traditional School		2,070	1,860	2,050	1,763	2,050	1,651	2,050	1,550	2,050	1,557
Myers Middle	97,164	1,010	785	1,010	731	1,010	770	1,010	720	1,010	783
Newburg Middle	123,433	1,112	1,015	1,112	1,046	1,112	1,031	1,112	947	1,112	930
Noe Middle	155,118	1,332	1,330	1,332	1,341	1,332	1,323	1,250	1,319	1,250	1,330
Norton Commons Elementary											
Norton Elementary	62,719	768	726	768	737	768	730	750	722	750	735
Okolona Elementary	50,950	501	329	501	328	501	329	501	382	501	422

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2018-19		2017-18		2016-17		2015-16		2014-15	
		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	618	773	587	773	581	773	577	773	662
Olmsted Academy South Middle	101,082	810	735	810	692	810	690	810	665	810	680
Phoenix School of Discovery			375								
Pleasure Ridge Park High	284,117	1,885	1,582	1,885	1,697	1,885	1,796	1,850	1,895	1,850	1,887
Portland Elementary	53,599	400	276	400	294	400	292	400	294	400	293
Price Elementary	53,339	590	394	590	404	590	435	590	501	590	509
Ramsey Middle	129,000	1,075	1,083	1,070	1,054	1,070	1,056	950	1,013	950	998
Rangeland Elementary	54,840	620	431	620	423	620	461	620	464	620	485
Roosevelt Perry Elementary	62,566	451	248	451	278	451	350	451	415	451	435
Rutherford Elementary	87,876	630	452	630	482	630	551	630	598	630	605
Sanders Elementary	44,376	517	420	517	454	517	480	560	485	560	515
Schaffner Traditional Elementary	41,156	612	60	612	596	612	607	612	611	612	602
Semple Elementary	73,440	629	557	629	600	629	620	629	581	629	581
Seneca High	226,306	1,685	1,209	1,685	1,286	1,685	1,369	1,685	1,417	1,685	1,462
Shacklette Elementary	55,786	616	415	616	413	616	418	616	426	616	454
The Academy@Shawnee	333,804	1,175	582	1,400	697	1,400	770	1,449	770	1,449	675
Shelby Elementary	76,343	760	722	760	728	760	736	700	756	700	737
Slaughter Elementary	63,380	475	392	475	390	475	436	526	438	526	437
Smyrna Traditional Elementary	52,176	585	502	585	476	585	514	585	559	585	559
South Park TAPP Program (Combined)	42,440	191		191	40	191	93	191	105	191	89
Southern High	321,288	1,700	1,334	1,700	1,360	1,700	1,254	1,700	1,213	1,700	1,192
St. Matthews Elementary	44,888	585	541	585	557	585	563	597	567	597	579
Stonestreet Elementary	48,282	500	450	500	435	500	452	578	439	578	460
Stopher Elementary	79,550	820	807	800	776	800	803	832	822	832	791
Stuart Middle	214,706	900	829	800	779	800	647	1,500	806	1,500	882
Taylor, Zachary Elementary	60,043	585	417	585	463	585	444	585	464	585	525
Trunel Elementary	54,086	642	462	642	530	642	562	662	561	662	542

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2013-14		2012-13		2011-12		2010-11		2009-10	
		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	653	850	665	1,050	768	1,050	782	1,050	786
Olmsted Academy South Middle	101,510	810	721	895	771	895	814	895	771	895	776
Phoenix School of Discovery											
Pleasure Ridge Park High	284,117	1,850	1,837	1,850	1,861	1,850	1,859	1,820	1,891	1,820	1,938
Portland Elementary	52,661	400	288	450	268	450	256	472	259	472	270
Price Elementary	53,339	590	544	590	588	590	582	547	578	547	539
Ramsey Middle	129,000	950	947	950	877	950	821	950	727	950	657
Rangeland Elementary	46,210	620	529	580	580	560	545	520	520	520	492
Roosevelt Perry Elementary	50,185	451	413	451	397	451	381	451	379	451	307
Rutherford Elementary	83,296	630	608	630	606	630	595	600	598	600	547
Sanders Elementary	44,376	560	501	560	498	560	504	503	493	503	528
Schaffner Traditional Elementary	41,156	612	610	612	608	612	608	612	604	612	611
Semple Elementary	65,447	629	535	629	543	629	542	629	552	629	581
Seneca High	236,142	1,685	1,502	1,685	1,482	1,685	1,379	1,685	1,494	1,685	1,519
Shacklette Elementary	47,409	616	437	616	433	616	450	708	472	708	493
The Academy@Shawnee	333,804	1,449	595	1,400	553	1,400	587	1,400	563	1,400	549
Shelby Elementary											
Slaughter Elementary	50,578	526	439	526	415	526	442	508	516	508	483
Smyrna Traditional Elementary	42,827	585	562	575	571	575	546	623	513	623	574
South Park TAPP Program (Combined)	42,152	191	157	216	211	216	212				
Southern High	329,983	1,700	1,124	1,700	1,199	1,700	1,240	1,700	1,274	1,700	1,292
St. Matthews Elementary	46,228	597	568	597	589	597	593	550	588	550	600
Stonestreet Elementary	49,169	578	482	578	515	578	488	578	497	578	515
Stopher Elementary	79,550	832	803	820	811	784	809	650	763	650	754
Stuart Middle	214,706	1,500	829	1,500	1,058	1,500	1,020	1,500	1,082	1,500	1,085
Taylor, Zachary Elementary	45,067	585	430	585	517	585	491	585	498	585	534
Trunnel Elementary	55,097	662	485	662	632	662	609	670	606	670	636

Continued

Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2018-19		2017-18		2016-17		2015-16		2014-15	
		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
Tully Elementary	105,648	828	758	828	747	828	733	828	708	828	706
Valley Traditional High	275,670	1,600	1,011	1,600	1,038	1,600	1,271	1,600	1,481	827	1,481
Waggener High	185,446	1,300	918	1,300	908	1,300	868	1,300	827	1,300	763
Waller Williams Environmental ¹	54,619	123	123	98	98	98	87	98	94	98	86
Watson Lane Elementary	68,925	661	303	661	315	661	364	661	364	661	395
Watterson Elementary	52,105	600	499	600	532	600	564	615	555	615	593
W.E.B. Dubois Academy (New 2018-19)			153								
Wellington Traditional Elem.	56,924	547	425	547	484	547	484	547	492	547	457
Western High	202,622	1,300	683	1,300	731	1,300	789	1,300	825	1,300	806
Western Middle	133,525	825	616	825	629	825	603	825	575	825	555
Georgia Chaffe TAPP Program (combined 18-19)	78,043	148	74	148	76	148	76	148	147	148	158
Westport Traditional Middle	169,768	1,310	1281	1,300	1251	1,300	1244	1,300	1205	1,300	1124
Wheatley Elementary	61,244	500	321	500	387	500	387	550	414	550	390
Wheeler Elementary	53,443	688	644	688	660	688	667	680	679	680	681
Wilder Elementary	49,424	613	532	613	563	613	548	613	544	613	572
Wilkerson Traditional Elem.	43,795	534	474	534	468	534	470	534	448	534	479
Wilt Elementary	50,481	566	511	566	519	566	507	566	498	566	485
Young Elementary	73,437	650	397	650	514	650	525	650	553	650	535

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	2014-15		2012-13		2011-12		2010-11		2009-10	
		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
Tully Elementary	105,648	828	738	828	792	828	794	809	807	809	812
Valley Traditional High	266,102	827	1,481	1,600	1,087	1,600	979	1,600	908	1,600	835
Waggener High	222,142	1,300	763	1,300	782	1,300	790	1,300	852	1,300	924
Waller Williams Environmental ¹	52,616	98	86	98	97						
Watson Lane Elementary	62,030	661	395	661	443	661	449	661	454	661	485
Watterson Elementary	52,105	615	593	615	605	615	599	615	593	615	601
W.E.B. Dubois Academy (New 2018-19)											
Wellington Traditional Elem.	56,924	547	457	547	482	547	486	547	480	547	483
Western High	235,472	1,300	806	1,300	798	1,300	762	1,300	871	1,300	848
Western Middle	133,525	825	555	825	387	825	297	825	356	825	457
Westport TAPP Program ¹	52,950	148	158	228	154	228	219				
Westport Traditional Middle	169,768	1,300	1124	1,300	928	1,300	885	1,300	849	1,300	790
Wheatley Elementary	63,935	550	390	550	405	550	420	550	410	550	386
Wheeler Elementary	53,443	680	681	680	631	680	618	680	597	680	593
Wilder Elementary	49,738	613	572	613	566	613	564	610	568	610	612
Wilkerson Traditional Elem.	43,795	534	479	534	490	534	496	470	517	470	519
Wilt Elementary	50,481	566	485	566	460	566	456	550	476	550	463
Young Elementary	73,437	650	535	650	531	650	440	610	429	610	489

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

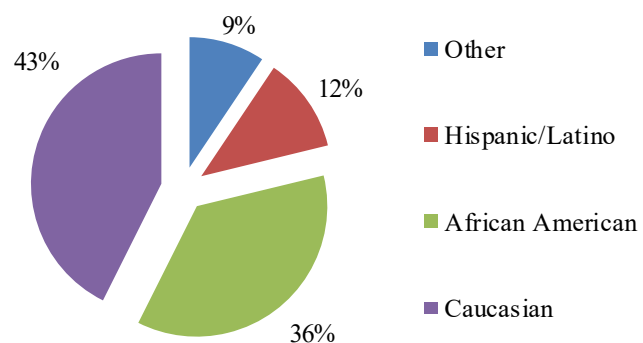
Enrollment presented is as of the end of the first pupil month. This is not typically our highest enrollment month during the school year, but this is when the program budget is set and students are assigned to each school within program capacity guidelines.

Board of Education of Jefferson County, Kentucky

Miscellaneous Statistics

For the Year Ended June 30, 2019

Student Demographics



Student Transportation

Number of Buses	904
Number of Bus Compounds	13
Miles Driven per Day (Average)	100,269
Number of Students Transported Daily	67,223

Number of Students

English as a Second Language	8,378
Different Languages	148
Special Needs	12,767
Free and Reduced Price Lunch	68%
Advanced Placement Tests Taken	10,949

Funding Allocation

