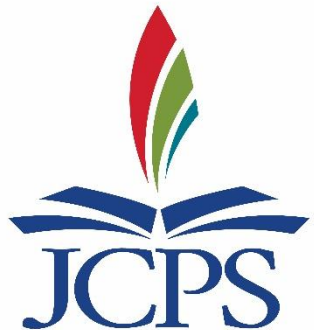


Comprehensive Annual Financial Report (CAFR)

Audit for the Year Ended June 30, 2020



Presented November 10, 2020

Overview of the Financial Audit

- Introduction of the new audit firm
- Overview of the Audit
- Internal Control Findings
- Review of Financial Report for June 30, 2020
- Recap of Audit Results

New Audit Firm - Dean Dorton Team Members



Jim Tencza, CPA, CIA, CGMA
Director



Simon Keemer, CPA, CGMA, ACA
Director



Philip Blakely, CPA, CIA
Manager, School Activity Fund Audits



Megan Crane, CPA
*Manager, Financial Statement Audit
and Single Audit*



Tori Montgomery, CPA
Supervisor, Financial Statement Audit

Overview of Audit

Comprehensive Annual Financial Report

- Audit of the District's financial statements for the year ended June 30, 2020 based on U.S. Generally Accepted Auditing Standards, Government Auditing Standards and Kentucky Public School Districts' Audit Contract and Requirements
- Unmodified opinion with emphasis of matters for correction of errors related to bond discounts and premiums (GASB 65) and KTRS Medical Insurance contributions (GASB 75) as well as adoption of GASB 84

Overview of Audit

Single Audit

- Review the management of federal grants to ensure compliance and internal control over rules and regulations of federal awards required by the Uniform Guidance
- Major programs audited - Title I and Title IV
- No findings noted

Overview of Audit

School Activity Fund Financial Statements

- Audit of elementary, middle, and high school activity funds as of June 30, 2020
- Audit approach and risk assessment
- Minor findings noted

Internal Control Findings

- **Material Weakness:** A deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis
 - None noted
- **Significant Deficiency:** A deficiency or a combination of deficiencies in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.
 - Interpretation of the financial reporting requirements when adopting new accounting standards (GASB 65 and GASB 75)

Overview of the Annual Financial Report

Balance Sheet - Governmental Funds
Board of Education of Jefferson County, Kentucky
June 30, 2020

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 161,496,697		\$ 79,865,417	\$ 6,452,045	\$ 247,814,159
Investments	61,053,600			666,386	61,719,986
Accounts and grants receivable	23,841,921	\$ 8,192,214		89,585	32,123,720
Inventories	3,303,871			309,345	3,613,216
Due from other funds	34,410,991	13,328,101	53,356,241	10,728,050	111,823,383
Total Assets	\$ 284,107,080	\$ 21,520,315	\$ 133,221,658	\$ 18,245,411	\$ 457,094,464
Liabilities					
Accrued liabilities	\$ 110,986,994	\$ 1,971,428	\$ 11,126,832	\$ 510,536	\$ 124,595,790
Due to other funds	78,472,543	7,927,088	18,224,769		104,624,400
Total Liabilities	189,459,537	9,898,516	29,351,601	510,536	229,220,190
Fund Balances					
Nonspendable	3,319,455				3,319,455
Restricted		11,621,799	103,870,057	17,734,875	133,226,731
Committed	36,000,000				36,000,000
Assigned	32,748,001				32,748,001
Unassigned	22,580,087				22,580,087
Total Fund Balances	94,647,543	11,621,799	103,870,057	17,734,875	227,874,274
Total Liabilities and Fund Balances	\$ 284,107,080	\$ 21,520,315	\$ 133,221,658	\$ 18,245,411	\$ 457,094,464

Net Change to Fund Balance
General Fund Revenue 1,237,435,373
General Fund Expense 1,274,578,559
Expense over Revenue 37,143,186

Recap of the Audit Results

- Review of Financial Records – unmodified opinion
- Emphasis on compliance with Governmental Accounting Standards
- Compliance with Kentucky Public School Districts' Audit Contract and Requirements prescribed by the Kentucky State Committee for School District Audits
- Audit of Federal Programs specifically Title I and Title IV with no findings noted
- School Activity Funds Audits – substantial improvement, only minor findings noted

Questions ?