



Report to Governance on the Results of the Annual Independent Audits

Board of Education of Jefferson County, Kentucky

For the Year Ended June 30, 2022

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Meet the Team



Jim Tencza, CPA, CIA, CGMA
Director



Simon Keemer, CPA, CGMA, ACA
Director



Megan Crane, CPA
Associate Director
Single Audit



Andrew Harris, CPA
Manager
Single Audit



Tom Smither, CPA
Manager
Financial Statement Audit



Curtis Applebaum
Lead Auditor
School Activity Fund Audits

Overview of Audit

- Audits performed:
 - Audit of the Annual Comprehensive Financial Report
 - Single Audit in accordance with the Uniform Guidance
 - Audits of the School Activity Funds
- Audits were completed with no significant issues or problems
- Detailed discussion of audit results was performed with ARMAC on November 3, 2022

Audit of Annual Comprehensive Financial Report

- Audit of the District's financial statements for the year ended June 30, 2022 based on U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and Kentucky Public School Districts' Audit Contract and Requirements
- Unmodified opinion or "clean opinion"
- For the year ended June 30, 2022 we adopted new auditing standards that changed the format and wording of the standard auditors' report

Single Audit

- Audit 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:
 - Child Nutrition Cluster
 - Child and Adult Care Food Program
 - Adult Education – Basic grants to States
 - COVID-19 Education Stabilization Fund / ESSER Funds
- No findings noted

School Activity Funds Audits

- Audits of elementary, middle, and high school activity funds as of June 30, 2022
- All schools audited with 33 schools visited for detailed compliance testing based on audit approach and risk assessment
- Minor findings noted

Internal Control Findings

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- **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
 - None noted



Prepared, empowered, and inspired!



FOR THE YEAR ENDED JUNE 30, 2022

BOARD OF EDUCATION OF JEFFERSON COUNTY, KENTUCKY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Management's Discussion and Analysis

For the Year Ended June 30, 2022

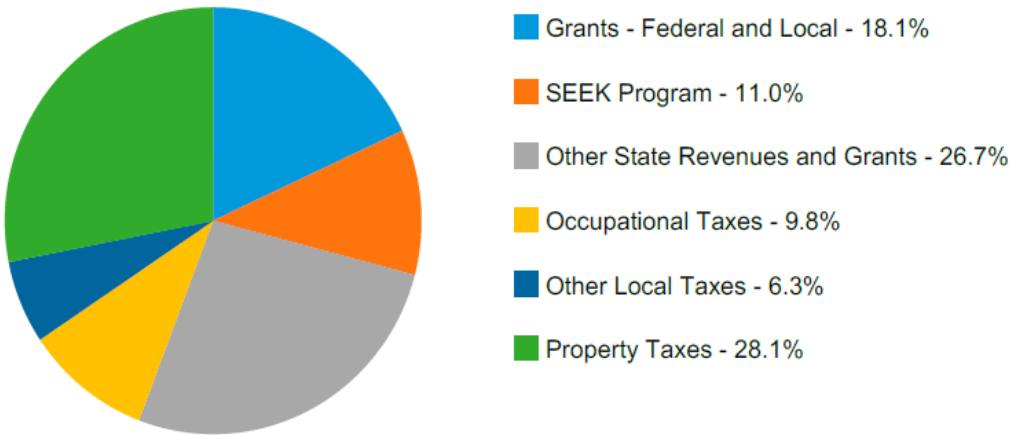


The following schedule provides a comparison of the District-wide revenues for governmental activities for the current and previous years:

Revenues	2022	2021	Change	% Change
Local Sources:				
Property Taxes	\$ 594,308,658	\$ 530,248,112	\$ 64,060,546	12.1 %
Occupational Taxes	206,474,525	176,787,809	29,686,716	16.8 %
Other Taxes	106,915,232	63,516,855	43,398,377	68.3 %
State Sources:				
SEEK Program	233,088,270	231,277,657	1,810,613	0.8 %
Other State Revenues and Grants	555,341,767	466,477,021	88,864,746	19.1 %
KSFCC allocation	9,617,566	9,878,203	(260,637)	(2.6)%
Grants (federal and local)	381,798,766	167,393,988	214,404,778	128.1 %
Interest	833,179	330,027	503,152	152.5 %
Other Sources	27,780,985	14,674,047	13,106,938	89.3 %
Total Revenues	\$ 2,116,158,948	\$ 1,660,583,719	\$ 455,575,229	27.4 %



Revenue Sources



	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 551,420,941			\$ 42,887,717	\$ 594,308,658
Occupational taxes	206,474,525				206,474,525
Other taxes	106,915,232				106,915,232
Grants from local agencies and donors	5,000	\$ 5,212,631			5,217,631
State sources					
SEEK program	224,312,952			8,775,318	233,088,270
Other state revenues	325,859,372	36,095,469			361,954,841
KSFCC allocation				9,617,566	9,617,566
Grants from the United States government		373,942,430		2,638,705	376,581,135
Interest	795,630	4,302	\$ 33,247		833,179
Other sources	5,083,368	152		14,686,913	19,770,433
Total Revenues	1,420,867,020	415,254,984	33,247	78,606,219	1,914,761,470
Expenditures					
Instruction	697,834,597	197,405,343		14,447,425	909,687,365
Student support services	79,373,693	21,207,890			100,581,583
Instructional staff support services	118,046,073	63,871,250			181,917,323
District administrative support services	8,058,424	717,406			8,775,830
School administrative support services	115,407,265	12,709,084			128,116,349
Business support services	49,844,662	13,624,402			63,469,064
Plant operations and maintenance	119,368,564	28,003,341		123,030	147,494,935
Transportation	72,866,769	10,941,334			83,808,103
Food service	106,892	4,810,199			4,917,091
Community services	2,390,351	9,750,454			12,140,805
Other instructional support services		20,302			20,302
Building renovations	1,394,776	112,267	102,587,751		104,094,794
Other			471,030		471,030
Debt service					
Principal				36,338,627	36,338,627
Interest				20,268,424	20,268,424
Total Expenditures	1,264,692,066	363,173,272	103,058,781	71,177,506	1,802,101,625
Revenues in Excess of (Less Than) Expenditures	156,174,954	52,081,712	(103,025,534)	7,428,713	112,659,845



	General Fund
Other Financing Sources (Uses)	
Issuance of school building revenue bonds	
Premiums on bonds sold	
Transfers to Proprietary Funds	(3,002,495)
Transfers from Proprietary Funds	4,526,682
Transfers in	33,404,974
Transfers out	(3,691,260)
Total Other Financing Sources (Uses)	31,237,901
Net Change in Fund Balances	187,412,855
Fund Balances, Beginning of Year	155,306,795
Fund Balances, End of Year	\$ 342,719,650

STATISTICS



- FINANCIAL TREND DATA
- REVENUE CAPACITY DATA
- DEBT CAPACITY DATA
- DEMOGRAPHIC AND ECONOMIC INFORMATION
- OPERATING INFORMATION

Property Tax Rates

Ten Years' Trend Data

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹	Weighted Average Tax Rates ¹
2022	79.6	79.6	58.5	78.2
2021	80.6	80.6	58.5	79.0
2020	73.6	73.6	58.5	70.7
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

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.

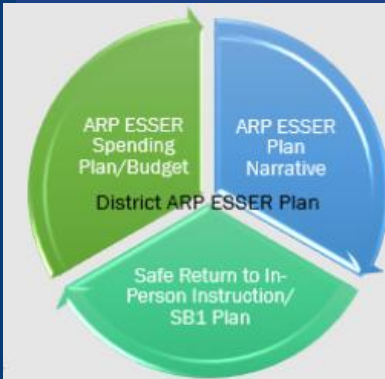
¹ Cents per \$100 assessment

OVERARCHING GOALS: HIGH-LEVEL OUTCOMES FOR ESSER INVESTMENTS

1. Safely reopen schools for all students.
2. Address pre- and post-pandemic unfinished learning.
3. Build lasting, equitable systems of teaching and learning.

TO ATTAIN THOSE GOALS:

- Attend to the immediate health and safety requirements as well as the social, emotional, and mental health needs of students and adults.
- Ensure grade-level, standards-aligned instruction with just-in-time academic and social-emotional supports.
- Invest in staff capacity and lasting infrastructure and technology that close the opportunity, resource, and digital divides and ensure equitable outcomes for all current and future students.



AMERICAN RESCUE PLAN

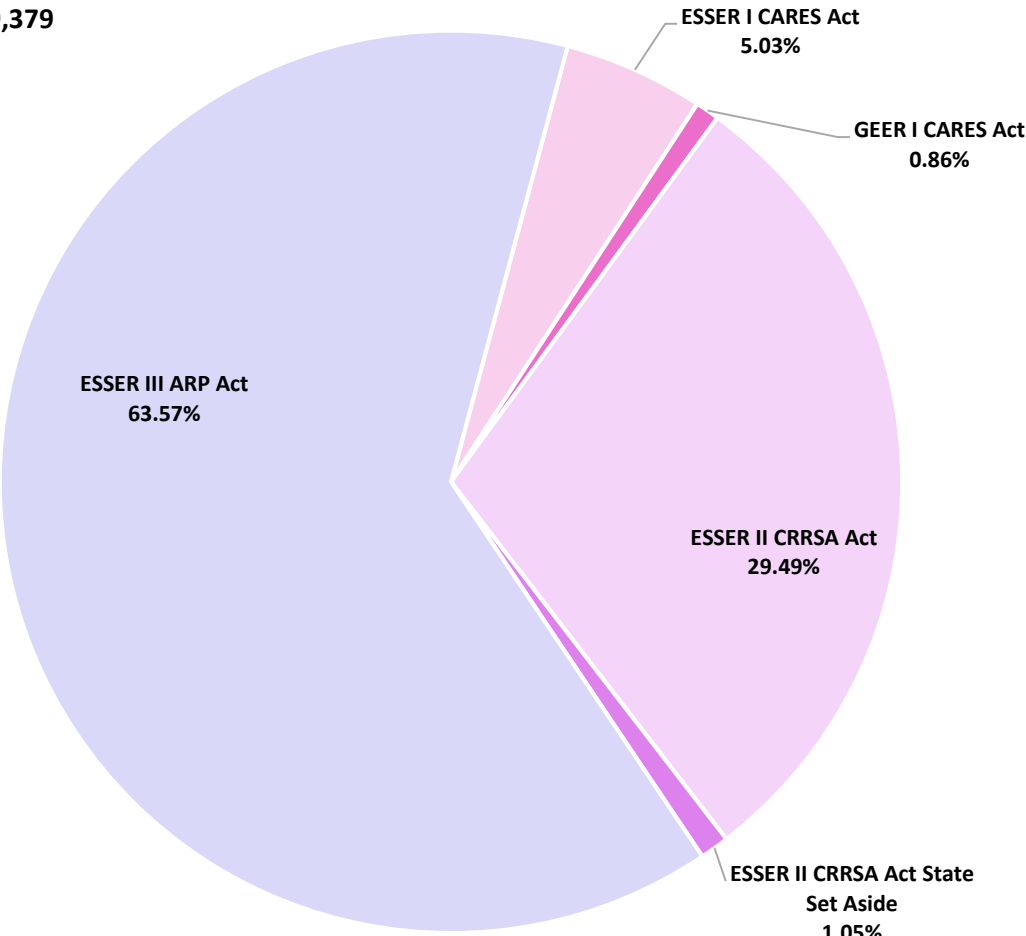
Elementary and Secondary School Emergency Relief (ARP ESSER)

JEFFERSON COUNTY PUBLIC SCHOOLS

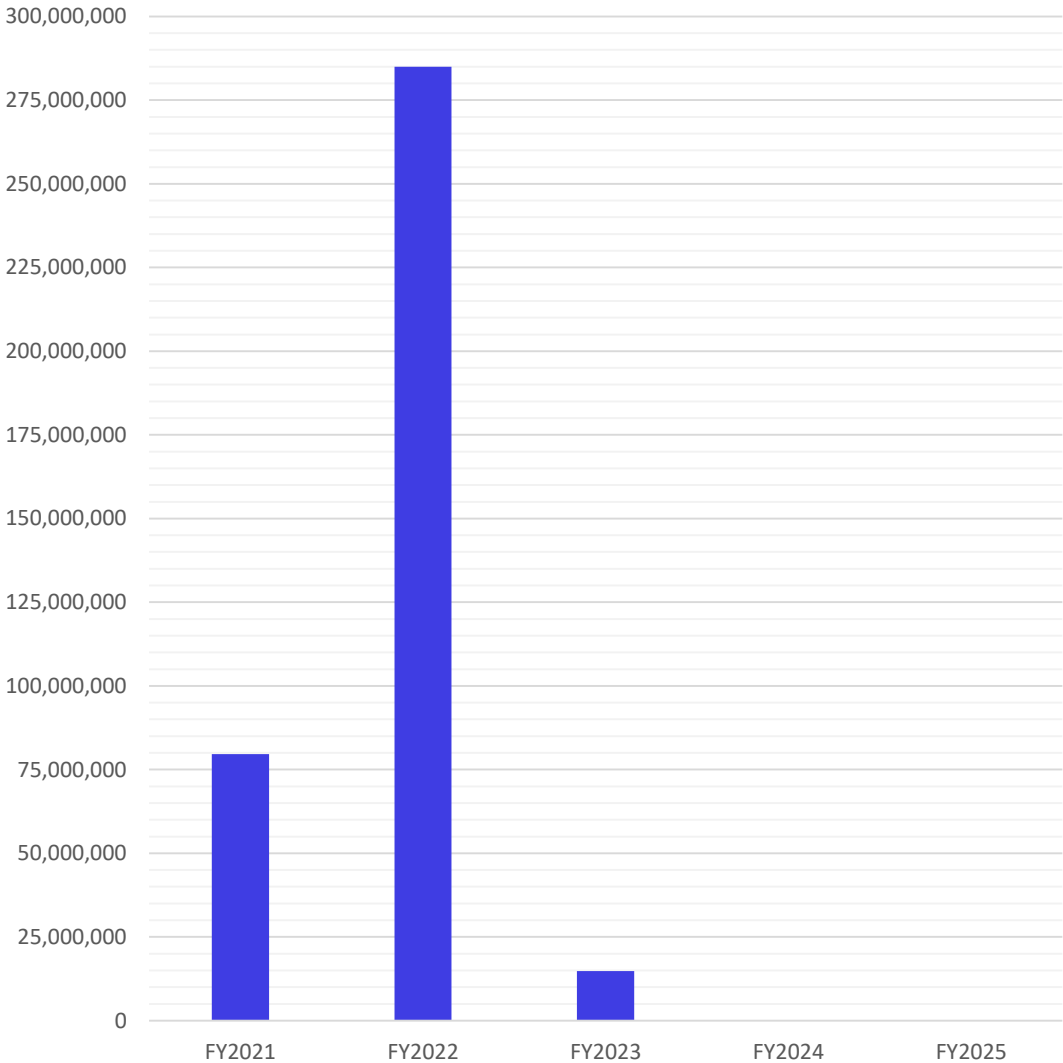
November 2022

Budgeted Revenue by Source

\$603,879,379



Revenue Reimbursement Received as of 10/25/2022



ARP ESSER Spending Plan						
		FY2022	FY2023	FY2024	FY2025	Cumulative
		Budget	Budget	Budget	Budget	Budget
Resourcing High Poverty Schools						
	School Allocations based on Student Needs	20,000,000	22,000,000	26,000,000	2,000,000	70,000,000
	Racial Equity - "Rapid Response"	1,000,000	1,000,000	1,000,000		3,000,000
	Sub-total	21,000,000	23,000,000	27,000,000	2,000,000	73,000,000
Continuous & Extended Learning						
	Student Learning Centers & Community Learning Hubs	6,000,000	11,000,000	12,000,000	6,000,000	35,000,000
	Expanded Summer School Program	15,000,000	17,500,000	17,500,000	5,000,000	55,000,000
	Student Extended Learning Opportunities	2,000,000	5,000,000	5,000,000	15,000,000	27,000,000
	Initiatives to Directly Impact Student Acceleration	5,500,000	6,200,000	6,500,000	1,500,000	19,700,000
	Sub-total	28,500,000	39,700,000	41,000,000	27,500,000	136,700,000
Social Emotional & Mental Health Services						
	Student Re-engagement Initiatives submitted by Teachers	300,000	340,000	360,000		1,000,000
	Social Emotional & Mental Health Supports	3,000,000	3,000,000	3,000,000	1,000,000	10,000,000
	Sub-total	3,300,000	3,340,000	3,360,000	1,000,000	11,000,000
Technology Initiatives Related to Pandemic						
	Chromebooks	5,000,000	7,000,000	2,000,000		14,000,000
	Flat Panels	7,000,000				7,000,000
	Student Device Repairs	50,000	80,000	120,000	50,000	300,000
	Expanded Internet Capacity & other Technology needs	1,000,000	1,000,000	1,500,000		3,500,000
	Sub-total	13,050,000	8,080,000	3,620,000	50,000	24,800,000
Workforce & Leadership Development						
	Retention, Recruitment, Leadership Development	91,993,394				91,993,394
Indirect Costs (General Fund Support)		13,000,000	10,000,000	10,000,000	13,478,795	46,478,795
GRAND TOTAL		170,843,394	84,120,000	84,980,000	44,028,795	383,972,189

ARP ESSER III EXPENDITURE FORECAST

