

**Jessamine County School District**

**Audited Financial Statements  
and Required Supplementary Information**

**June 30, 2019**

**JESSAMINE COUNTY SCHOOL DISTRICT  
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# SUMMERS, MCCRARY & SPARKS, P.S.C.

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### INDEPENDENT AUDITOR'S REPORT

To the Kentucky State Committee of School District Audits  
Members of the Board of Education  
Jessamine County School District  
Nicholasville, KY 40356

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jessamine County School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jessamine County School District as of June 30, 2019, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Special Revenue Fund 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, Schedule of District's Proportionate Share of Net Pension Liability, Schedule of District Contributions – Pension, Schedule of District's Proportionate Share of Net OPEB Liability – Medical Insurance Plan, Schedule of District Contributions – Medical Insurance Plan, Schedule of District's Proportionate Share of Net OPEB Liability – Life Insurance Plan, and Schedule of District Contributions – Life Insurance Plan on pages 3-9 and 66-74 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 Jessamine County School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditure of federal awards are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2019, on our consideration of Jessamine County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

*Summers, McCrary & Sparks, PSC*

Lexington, KY  
November 8, 2019

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

As management of the Jessamine County School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

**FINANCIAL HIGHLIGHTS/OVERALL DISTRICT HIGHLIGHTS**

Jessamine County Schools' K-12 average daily membership totaled 8091 students in the 2018-19 fiscal year, an increase of 71 students since the previous school year. These students are housed in 14 schools including 2 high schools, 2 middle schools, 6 elementary schools, 1 career and technical school, 2 alternative schools, and 1 early learning school.

- The beginning General Fund balance for the District was \$10,660,395. With an increase of \$338,620, the ending balance for FY2019 was \$10,999,015.
- Average Daily Attendance (ADA), is used to calculate base SEEK funding. Our Prior Year ADA was 7,363.396 for funding year 2017-18. Our funding ADA was 7,358.881 for 2018-19.
- Funding ADA slightly decreased however total SEEK Funding increased \$145,778.
- The Guaranteed SEEK base improved to 4,000 per pupil.
- Please note that kindergarten still receives a 50% ADA reduction for the SEEK calculation (funded at the ½ day level). Also, per the SEEK formula, transportation is only funded at nearly 60%.
- CERS Employer Contribution Rate increased from 19.18% for the 2017-18 year to 21.48% for the 2018-19 fiscal year.
- The Board adopted the same property tax rate as the year prior.
- The District had several construction projects in progress during the Fiscal Year
  - Renovation of the Diesel Engine CTE Project is near completion.
  - The Providence School renovation began this fiscal year and will be completed in Fiscal Year 2019-20
  - Additions and renovations to East High & West High started at the end of this fiscal year and will extend through Fiscal Year 2021-22.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities).

The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary funds and fiduciary funds.

Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The only proprietary funds are our vending and food service operations. All other activities of the district are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 12-21 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-64 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$2,903,036 as of June 30, 2019 as compared to \$5,974,965 in the prior year. The prior year net position was revised to recognize the effect of a prior period adjustment to correct the prior year deferred outflows related to the CERS pension. The prior year fund balance has been restated from \$5,974,965 to \$1,498,793 to reflect this correction.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

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

The breakdown of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position can be seen on page 10 in the statement of net position, Governmental Wide Basis.

	<u>2019</u>	<u>Restated 2018</u>	<u>Change</u>
Current Assets	\$ 52,825,322	\$ 20,965,378	\$ 31,859,944
Noncurrent Assets	<u>124,262,872</u>	<u>119,839,430</u>	<u>4,423,442</u>
<b>Total Assets</b>	177,088,194	140,804,808	36,283,386
<b>Deferred Outflows of Resources</b>	<u>11,604,638</u>	<u>14,674,049</u>	<u>(3,069,411)</u>
Current Liabilities	14,251,548	12,468,273	1,783,275
Noncurrent Liabilities	<u>165,650,082</u>	<u>137,323,312</u>	<u>28,326,770</u>
<b>Total Liabilities</b>	179,901,630	149,791,585	30,110,045
<b>Deferred Inflows of Resources</b>	<u>5,888,166</u>	<u>4,207,247</u>	<u>1,680,919</u>
Net Position			
Investment in capital assets (net)	9,264,340	35,454,082	(26,189,742)
Restricted	33,839,142	(40,927,591)	74,766,733
Unrestricted	<u>(40,200,446)</u>	<u>6,972,302</u>	<u>(47,172,748)</u>
<b>Total Net Position</b>	\$ <u>2,903,036</u>	\$ <u>1,498,793</u>	\$ <u>1,404,243</u>

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2019 and 2018, Governmental Wide Basis.

	Summary of Revenue and Expenditures					
	Governmental		Business-type		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Local revenue sources	\$34,265,008	\$42,748,431	\$1,142,434	\$1,293,781	\$35,407,442	\$44,042,212
State revenue sources	61,457,606	64,596,096	338,070	316,734	61,795,676	64,912,830
Federal revenue sources	4,994,397	4,739,669	3,998,383	2,930,425	8,992,780	7,670,094
Tuition	71,651	77,395	0	0	71,651	77,395
Gain/(Loss) on sale of assets	34,233	150,079	(4,434)	(9,049)	29,799	141,030
Investments	616,799	228,602	32,996	21,021	649,795	249,623
<b>Total Revenue</b>	<b>101,439,694</b>	<b>112,540,272</b>	<b>5,507,449</b>	<b>4,552,912</b>	<b>106,947,143</b>	<b>117,093,184</b>
<b>Expenses:</b>						
Instruction	60,438,559	72,283,861	0	0	60,438,559	72,283,861
Student support services	6,050,074	5,070,135	0	0	6,050,074	5,070,135
Instructional support	4,057,149	3,795,910	0	0	4,057,149	3,795,910
District administration	1,114,374	937,254	0	0	1,114,374	937,254
School administration	7,484,563	6,753,306	0	0	7,484,563	6,753,306
Business support	3,311,968	2,994,083	0	0	3,311,968	2,994,083
Plant operations	6,944,755	6,437,444	0	0	6,944,755	6,437,444
Student transportation	6,400,334	5,759,887	0	0	6,400,334	5,759,887
Non-Instructional	883,760	731,788	0	0	883,760	731,788
Interest on long-term debt	3,205,986	2,713,645	0	0	3,205,986	2,713,645
Day care	0	0	543,363	485,007	543,363	485,007
Food service	0	0	5,108,015	3,661,329	5,108,015	3,661,329
<b>Total Expenses</b>	<b>99,891,522</b>	<b>107,477,313</b>	<b>5,651,378</b>	<b>4,146,336</b>	<b>105,542,900</b>	<b>111,623,649</b>
Transfers	443,633	304,211	(443,633)	(304,211)	0	0
Change in net position	1,991,805	5,367,170	(587,562)	102,365	1,404,243	5,469,535
Beginning net position	4,868,848	26,050,783	1,106,117	1,866,573	5,974,965	27,917,356
Prior period adjustment	(4,921,569)	(26,549,105)	445,397	(862,821)	(4,476,172)	(27,411,926)
Beginning net position restated	(52,721)	(498,322)	1,551,514	1,003,752	1,498,793	505,430
<b>Ending net position</b>	<b>\$1,939,084</b>	<b>\$4,868,848</b>	<b>\$963,952</b>	<b>\$1,106,117</b>	<b>\$2,903,036</b>	<b>\$5,974,965</b>

**Governmental Activities**

Instruction comprises 61% of governmental program expenses. Plant Operations expense makes up 6% of government expenses. District and School Administration total 9% of governmental expenses. Student and instructional support total 10% of governmental expenses. The remaining expenses for support services, community service activities, transportation and interest account for the final 14% of total governmental expense.

**Business-Type Activities**

The business-type activities include the food service and day care operations. These programs had total revenues of \$5,507,449 and expenses of \$5,651,378 for fiscal year 2019. Of the revenues, \$1,142,434 was charges for services, and \$4,336,453 was from State and Federal grants. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**FUND FINANCIAL ANALYSIS**

**Comments on Budget Comparisons**

General fund budget compared to actual revenue varied from line item to line item with the ending actual revenues being \$6,343,910 more than budget. General fund budget compared to actual expenditures varied from line item to line item with the ending actual expenditures being \$117,210 more than budget. The District's total general fund revenues for the fiscal year ended June 30, 2019, before interfund transfers, was \$75,387,782, an increase of \$342,082 from the total revenues of \$75,045,700 for 2018.

The following table presents a summary of revenue and expense, excluding transfers, for selected funds (including on-behalf payments). Food service and day care amounts are presented on the accrual basis while general and special revenue funds are on the modified accrual basis:

**For the Year ending June 30, 2019**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>FOOD SERVICE FUND</u>	<u>DAY CARE FUND</u>
<b>REVENUES:</b>				
From local sources:				
Taxes:				
Property	\$ 21,218,399	\$ 0	\$ 0	\$ 0
Distilled spirits	232,187	0	0	0
Motor vehicle	2,269,967	0	0	0
Utilities	2,706,417	0	0	0
Unmined minerals	2,532	0	0	0
Earnings on investments	395,934	3,010	29,131	3,865
Tuition & fees	71,651	0	0	0
Other local revenues	495,312	218,440	0	0
Intergovernmental - state	47,815,544	3,745,784	300,590	37,480
Intergovernmental - federal	182,250	4,812,147	3,998,383	0
Gain/(Loss) on asset disposal	0	0	(4,434)	0
Lunchroom sales	0	0	385,790	0
Day care revenue	0	0	0	756,644
<b>TOTAL REVENUES</b>	<b>\$ 75,390,193</b>	<b>\$ 8,779,381</b>	<b>\$ 4,709,460</b>	<b>\$ 797,989</b>
<b>EXPENDITURES:</b>				
Instruction:	\$ 44,088,682	\$ 6,015,756	\$ 0	\$ 0
Support Services:				
Student	4,710,474	633,398	0	0
Instructional staff	2,365,264	1,094,704	0	0
District administration	913,932	3,338	0	0
School administration	6,491,185	288,857	0	0
Business	2,657,285	483,481	0	0
Plant operations and maintenance	6,426,182	(14,628)	0	0
Student transportation	5,438,759	0	0	0
Food Service	8,687	0	5,108,015	0
Day care service	0	0	0	543,363
Community Service	96,835	611,640	0	0
Capital outlay	80,822	33,976	0	0
Debt service	160,031	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 73,438,138</b>	<b>\$ 9,150,522</b>	<b>\$ 5,108,015</b>	<b>\$ 543,363</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>\$ 1,952,055</b>	<b>\$ (371,141)</b>	<b>\$ (398,555)</b>	<b>\$ 254,626</b>

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**For the Year ending June 30, 2018**

	GENERAL FUND	SPECIAL REVENUE FUND	FOOD SERVICE FUND	DAY CARE FUND
<b>REVENUES:</b>				
From local sources:				
Taxes:				
Property	\$ 20,821,844	\$ 0	\$ 0	\$ 0
Distilled spirits	255,198			
Motor vehicle	2,236,626	0	0	0
Utilities	3,058,599	0	0	0
Unmined minerals	2,085			
Earnings on investments	162,720	1,228	19,399	1,622
Tuition & fees	77,395	0	0	0
Other local revenues	545,432	45,770	0	0
Intergovernmental - state	47,677,282	3,885,842	278,008	38,726
Intergovernmental - federal	208,519	4,531,150	2,930,425	0
Gain/(Loss) on asset disposal	0	0	(9,049)	0
Lunchroom sales	0	0	676,243	0
Day care revenue	0	0	0	617,538
<b>TOTAL REVENUES</b>	<b>\$ 75,045,700</b>	<b>\$ 8,463,990</b>	<b>\$ 3,895,026</b>	<b>\$ 657,886</b>
<b>EXPENDITURES:</b>				
Instruction:	\$ 43,044,632	\$ 5,776,422	\$ 0	\$ 0
Support Services:				
Student	4,470,328	592,891	0	0
Instructional staff	2,466,180	1,240,427	0	0
District administration	900,528	0	0	0
School administration	6,310,688	435,453	0	0
Business	2,883,352	107,455	0	0
Plant operations and maintenance	6,424,732	0	0	0
Student transportation	6,324,762	0	0	0
Food Service	0	0	3,661,329	0
Day care service	0	0	0	485,007
Community Service	92,986	576,422	0	0
Capital outlay	0	0	0	0
Debt service	160,158	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 73,078,346</b>	<b>\$ 8,729,070</b>	<b>\$ 3,661,329</b>	<b>\$ 485,007</b>
Excess (Deficit) of Revenues over Expenditures	<b>\$ 1,967,354</b>	<b>\$ (265,080)</b>	<b>\$ 233,697</b>	<b>\$ 172,879</b>

**Debt**

At June 30, 2019, the School District had \$116,782,929 in bond and capital lease debt outstanding; of this amount \$2,584,541 is to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$5,699,577 is due within one year.

**Capital Assets**

The Board added \$9,902,983 in new assets during the year, primarily for technology, cafeteria equipment and Diesel Engine CTE renovation.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**FUTURE BUDGETARY IMPLICATIONS**

In Kentucky, the public school fiscal year is July 1 through June 30; other programs, i.e. some federal, operate on a different fiscal calendar but are reflected in the District's overall budget. By law the budget must have a minimum 2% contingency. Significant board actions that impacted finances include; 1% Staff raises, fully funding School Section 6 allocations, new safety initiatives, and restoring staffing allocation reductions from prior school years.

For Fiscal Year 2019-2020 the Board has adopted the 4% property tax revenue increase but due to substantial growth the actual property tax rate decreased. The additional tax revenue will help to offset Board approved staff raises, State unfunded safety mandates, and additional staffing for interventionists and LEP teachers.

The CERS retirement employer rate will increase to 24.06% beginning July 1, 2019, the rate will increase over the next 3 years as mandated by State law. The KTRS retirement employer contribution to the retiree medical insurance fund is 3.00% and federally funded employees 16.105% as mandated. Federal Programs Health Insurance/Life Insurance reimbursements to the State of Kentucky are included in the District's budget.

Jessamine County Schools continues to see limited state revenue growth, so we have looked for innovative ways to generate additional revenue. During this fiscal year we explored new purchasing methods and investments to increase revenue and continue to look for ways to cut expenditures. Our efforts, along with our student centered budgeting process, have created budget stability for Jessamine County Schools.

Questions regarding this report should be directed to Jason U'Wren, Director of Finance, (859) 885-4179, email: [jason.uwren@jessamine.kyschools.us](mailto:jason.uwren@jessamine.kyschools.us) , or by mail at the Jessamine County Schools, 871 Wilmore Road, Nicholasville, KY 40356.

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 29,373,095	\$ 1,590,466	\$ 30,963,561
Investments	19,963,057	-	19,963,057
Accounts receivable			
Taxes	506,386	-	506,386
Accounts	71,564	-	71,564
Intergovernmental - Federal	976,231	-	976,231
Prepaid assets	304,174	-	304,174
Inventory	-	40,349	40,349
Total Current Assets	<u>51,194,507</u>	<u>1,630,815</u>	<u>52,825,322</u>
<b>Noncurrent Assets</b>			
Non-depreciated capital assets	17,759,725	-	17,759,725
Net depreciated capital assets	106,040,189	462,958	106,503,147
Total Noncurrent Assets	<u>123,799,914</u>	<u>462,958</u>	<u>124,262,872</u>
<b>TOTAL ASSETS</b>	<u>174,994,421</u>	<u>2,093,773</u>	<u>177,088,194</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension	6,525,557	61,061	6,586,618
OPEB	3,413,068	41,143	3,454,211
Deferred Gain/Loss on Bond Refinance	1,563,809	-	1,563,809
Total deferred outflow of resources	<u>11,502,434</u>	<u>102,204</u>	<u>11,604,638</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities</b>			
Accounts payable	3,370,243	2,339	3,372,582
Current portion of bond obligations	5,699,577	-	5,699,577
Current portion of accrued sick leave	75,336	-	75,336
Accrued payroll	3,815,813	-	3,815,813
Accrued interest payable	1,012,938	-	1,012,938
Unearned revenues	275,302	-	275,302
Total Current Liabilities	<u>14,249,209</u>	<u>2,339</u>	<u>14,251,548</u>
<b>Noncurrent Liabilities</b>			
Noncurrent portion of bond obligations	110,862,764	-	110,862,764
Net pension liability	26,007,012	859,028	26,866,040
Net OPEB liability	27,030,379	172,450	27,202,829
Noncurrent portion of accrued sick leave	718,449	-	718,449
Total Noncurrent Liabilities	<u>164,618,604</u>	<u>1,031,478</u>	<u>165,650,082</u>
<b>TOTAL LIABILITIES</b>	<u>178,867,813</u>	<u>1,033,817</u>	<u>179,901,630</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	2,573,076	74,824	2,647,900
OPEB	3,116,882	123,384	3,240,266
Total deferred inflow of resources	<u>5,689,958</u>	<u>198,208</u>	<u>5,888,166</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,801,382	462,958	9,264,340
Restricted			
Debt Service	783,510	-	783,510
Capital projects (expendable)	31,830,373	-	31,830,373
Other purposes	97,777	1,127,482	1,225,259
Unrestricted	<u>(39,573,958)</u>	<u>(626,488)</u>	<u>(40,200,446)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,939,084</u>	<u>\$ 963,952</u>	<u>\$ 2,903,036</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental Activities:							
Instructional	\$ 60,438,559	\$ 71,651	\$ 23,150,964	\$ -	\$ (37,215,944)	\$ -	\$ (37,215,944)
Support Services:							
Student	6,050,074	-	2,321,645	-	(3,728,429)	-	(3,728,429)
Instructional staff	4,057,149	-	1,556,883	-	(2,500,266)	-	(2,500,266)
District administration	1,114,374	-	427,628	-	(686,746)	-	(686,746)
School administration	7,484,563	-	2,872,113	-	(4,612,450)	-	(4,612,450)
Business	3,311,968	-	1,270,927	-	(2,041,041)	-	(2,041,041)
Plant operations and maintenance	6,944,755	-	2,386,019	-	(4,558,736)	-	(4,558,736)
Student transportation	6,400,334	117,121	2,456,053	-	(3,827,160)	-	(3,827,160)
Non-Instructional	883,760	-	339,133	-	(544,627)	-	(544,627)
Interest on long-term debt	3,205,986	-	-	1,970,731	(1,235,255)	-	(1,235,255)
Total Governmental Activities	99,891,522	188,772	36,781,365	1,970,731	(60,950,654)	-	(60,950,654)
Business Type Activities:							
Food Service	5,108,015	385,790	4,298,973	-	-	(423,252)	(423,252)
Child Care	543,363	756,644	37,480	-	-	250,761	250,761
Total Business Type Activities	5,651,378	1,142,434	4,336,453	-	-	(172,491)	(172,491)
<b>Total Primary Government</b>	<b>\$ 105,542,900</b>	<b>\$ 1,331,206</b>	<b>\$ 41,117,818</b>	<b>\$ 1,970,731</b>	<b>\$ (60,950,654)</b>	<b>\$ (172,491)</b>	<b>\$ (61,123,145)</b>
General Revenues:							
Taxes:							
Property					\$ 28,039,616	\$ -	\$ 28,039,616
Motor vehicle					2,269,967	-	2,269,967
Utilities					2,706,417	-	2,706,417
Other					234,719	-	234,719
State and formula grants					27,771,557	-	27,771,557
Interest and investment earnings					616,799	32,996	649,795
Other Local revenues					825,518	-	825,518
Gain/(loss) on sale of assets					34,233	(4,434)	29,799
Transfers					443,633	(443,633)	-
Total General Revenues and Transfers					62,942,459	(415,071)	62,527,388
Change in Net Position					1,991,805	(587,562)	1,404,243
Net Position - beginning of year					4,868,848	1,106,117	5,974,965
Prior period adjustment (see Note #19)					(4,921,569)	445,397	(4,476,172)
Net Position - beginning of year restated					(52,721)	1,551,514	1,498,793
Net Position - end of year					\$ 1,939,084	\$ 963,952	\$ 2,903,036

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	GENERAL FUND	SPECIAL REVENUE (GRANT) FUNDS	CONSTRUCTION FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 14,655,214	\$ -	\$ 13,096,898	\$ 1,620,983	\$ 29,373,095
Investments	-	-	19,963,057	-	19,963,057
Accounts receivable					
Taxes	506,386	-	-	-	506,386
Accounts	71,564	-	-	-	71,564
Intergovernmental - Federal	-	976,231	-	-	976,231
Due from other funds	623,590	-	-	-	623,590
Prepaid assets	304,174	-	-	-	304,174
<b>TOTAL ASSETS</b>	<b>\$ 16,160,928</b>	<b>\$ 976,231</b>	<b>\$ 33,059,955</b>	<b>\$ 1,620,983</b>	<b>\$ 51,818,097</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 1,318,625	\$ 78,390	\$ 1,973,228	\$ -	\$ 3,370,243
Due to other funds	-	623,590	-	-	623,590
Accrued payroll	3,815,813	-	-	-	3,815,813
Accrued sick leave	20,069	-	-	-	20,069
Unearned revenue	5,000	270,302	-	-	275,302
<b>TOTAL LIABILITIES</b>	<b>5,159,507</b>	<b>972,282</b>	<b>1,973,228</b>	<b>-</b>	<b>8,105,017</b>
<b>FUND BALANCES:</b>					
Restricted	-	3,949	31,086,728	1,620,983	32,711,660
Committed	1,168,663	-	-	-	1,168,663
Assigned	101,058	-	-	-	101,058
Unassigned	9,731,700	-	-	-	9,731,700
<b>TOTAL FUND BALANCES</b>	<b>11,001,421</b>	<b>3,949</b>	<b>31,086,728</b>	<b>1,620,983</b>	<b>43,713,081</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 16,160,928</b>	<b>\$ 976,231</b>	<b>\$ 33,059,956</b>	<b>\$ 1,620,983</b>	<b>\$ 51,818,098</b>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

Total Governmental Fund Balances		\$ 43,713,081
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of net position		
Capital assets		123,799,914
Deferred outflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position		
Deferred loss on refunding		1,563,809
Pension		6,525,557
OPEB		3,413,068
Certain assets (obligations) are not a use of financial resources and therefore, are not reported in the government funds, but are presented in the statement of net position		
Net pension liability		(26,007,012)
Net OPEB liability		(27,030,379)
Deferred inflows of resources are not recorded in the government fund financials because they do not affect current resources but are recorded in the statement of net position		
Pension		(2,573,076)
OPEB		(3,116,882)
Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, and accrued interest) are not reported in the fund financial statement because they are not due and payable, but are presented in the statement of net position		
Bond obligations		(116,562,342)
Accrued interest		(1,012,938)
Accrued sick leave		(773,717)
		(1,859,000)
Net Position of Governmental Activities		\$ 1,939,084

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	GENERAL FUND	SPECIAL REVENUE (GRANT) FUNDS	CONSTRUCTION FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
From local sources:					
Taxes:					
Property	\$ 21,218,399	\$ -	\$ -	\$ 6,821,217	\$ 28,039,616
Distilled spirits	232,187	-	-	-	232,187
Motor vehicle	2,269,967	-	-	-	2,269,967
Utilities	2,706,417	-	-	-	2,706,417
Unmined minerals	2,532	-	-	-	2,532
Earnings on investments	395,934	3,010	169,737	48,118	616,799
Tuition	71,651	-	-	-	71,651
Other local revenues	495,312	218,440	1,200	227,686	942,638
Intergovernmental - State	47,815,544	3,745,784	-	2,706,619	54,267,947
Intergovernmental - Federal	182,250	4,812,147	-	-	4,994,397
<b>TOTAL REVENUES</b>	<b>75,390,193</b>	<b>8,779,381</b>	<b>170,937</b>	<b>9,803,640</b>	<b>94,144,151</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction:	44,088,682	6,015,756	-	143,698	50,248,136
Support Services:					
Student	4,710,474	633,398	-	5,050	5,348,922
Instructional staff	2,365,264	1,094,704	-	74,751	3,534,719
District administration	913,932	3,338	-	-	917,270
School administration	6,491,185	288,857	-	-	6,780,042
Business	2,657,285	483,481	-	-	3,140,766
Plant operations and maintainance	6,426,182	(14,628)	-	26,200	6,437,754
Student transportation	5,438,759	-	-	-	5,438,759
Food service	8,687	-	-	-	8,687
Community Services	96,835	611,640	-	-	708,475
Capital Outlay	80,822	33,976	8,967,017	-	9,081,815
Debt service	160,031	-	-	8,229,673	8,389,704
<b>TOTAL EXPENDITURES</b>	<b>73,438,138</b>	<b>9,150,522</b>	<b>8,967,017</b>	<b>8,479,372</b>	<b>100,035,049</b>
Excess (Deficit) of Revenues over Expenditures	1,952,055	(371,141)	(8,796,080)	1,324,268	(5,890,898)
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	273,543	375,090	1,700,000	7,848,770	10,197,403
Operating transfers out	(1,949,720)	-	-	(7,804,050)	(9,753,770)
Issuance of debt	-	-	36,665,000	-	36,665,000
Bond discount	-	-	(726,925)	-	(726,925)
Proceeds from sale of fixed assets	65,148	-	-	-	65,148
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<b>(1,611,029)</b>	<b>375,090</b>	<b>37,638,075</b>	<b>44,720</b>	<b>36,446,856</b>
Net Change in Fund Balances	341,026	3,949	28,841,995	1,368,988	30,555,958
Fund balance - beginning of year	10,660,395	-	2,244,733	251,995	13,157,123
Fund balance - end of year	<u>\$ 11,001,421</u>	<u>\$ 3,949</u>	<u>\$ 31,086,728</u>	<u>\$ 1,620,983</u>	<u>\$ 43,713,081</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Total Governmental Funds	\$ 30,555,958
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Bond discounts are expensed as incurred in the fund financial statement, but are amortized over the life of the bond in the statement of activities:</p>	
Amortization bond premium	(132,396)
Bond discount	726,395
Amortization of bond refinancing	(244,013)
<p>The proceeds from the disposal of capital assets provide current financial resources and are reported in the fund financial statements. However, for governmental activities the proceeds are reported net of the cost less any accumulated depreciation.</p>	
	(45,370)
<p>Capital outlays are reported as expenditures in the fund financial statement because they are current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.</p>	
Capital outlays	9,081,815
Depreciation expense	(4,626,385)
<p>Generally, expenditures recognized in the fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.</p>	
Accrued interest	(124,667)
Sick leave	(90,199)
<p>Governmental funds report pension and OPEB contributions as expenditures when paid. However, in the Statement of Activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, and the recognition of changes in deferred outflows and inflows of resources related to pensions, and investment experience.</p>	
KTRS on-behalf revenue	18,329,673
KTRS on-behalf pension expense	(17,272,224)
KTRS on-behalf OPEB expense	(1,057,449)
Pension expense	(2,014,853)
OPEB expense	(129,675)
<p>Bond proceeds are recognized in the fund financial statement as resources available for use as current financial resources, but bond proceeds are not recognized in the statement of activities.</p>	
Bond issuance	(36,665,000)
<p>Bond and lease payments are recognized as expenditures of current financial resources in the fund financial statement, but are reductions of liabilities in the statement of net position.</p>	
	5,700,195
Change in Net Position of Governmental Activities:	\$ 1,991,805

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	GENERAL FUND			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE Favorable (Unfavorable)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
From local sources:				
Taxes:				
Property	\$ 20,630,000	\$ 20,650,000	\$ 21,218,399	\$ 568,399
Distilled spirits	235,000	235,000	232,187	(2,813)
Motor vehicle	2,000,000	2,100,000	2,269,967	169,967
Utilities	2,800,000	2,800,000	2,706,417	(93,583)
Unmined minerals	1,350	1,500	2,532	1,032
Tuition and fees	83,250	83,250	71,651	(11,599)
Earnings on investments	80,000	175,000	395,934	220,934
Other local revenues	629,502	468,473	495,312	26,839
Intergovernmental - State	41,902,247	42,370,649	47,815,544	5,444,895
Intergovernmental - Federal	190,000	160,000	182,250	22,250
<b>TOTAL REVENUES</b>	<u>68,551,349</u>	<u>69,043,872</u>	<u>75,390,193</u>	<u>6,346,321</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:	39,861,028	41,459,865	44,088,682	(2,628,817)
Support Services:				
Student	3,844,515	4,272,064	4,710,474	(438,410)
Instructional staff	2,511,184	2,520,526	2,365,264	155,262
District administration	955,712	984,286	913,932	70,354
School administration	6,037,844	6,303,280	6,491,185	(187,905)
Business	3,021,481	3,244,015	2,657,285	586,730
Plant operations and maintenance	6,738,922	7,087,311	6,426,182	661,129
Student transportation	6,744,732	7,114,749	5,438,759	1,675,990
Food service	-	25,000	8,687	16,313
Community Services	92,610	99,796	96,835	2,961
Capital outlay	-	50,000	80,822	(30,822)
Debt service	160,158	160,031	160,031	-
<b>TOTAL EXPENDITURES</b>	<u>69,968,186</u>	<u>73,320,923</u>	<u>73,438,138</u>	<u>(117,215)</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,416,837)</u>	<u>(4,277,051)</u>	<u>1,952,055</u>	<u>6,229,106</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	694,970	234,000	273,543	39,543
Operating transfers out	(357,590)	(1,949,720)	(1,949,720)	-
Proceeds from Sale of Assets	93,216	-	65,148	65,148
Contingency	(6,548,645)	(3,554,097)	-	3,554,097
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>(6,118,049)</u>	<u>(5,269,817)</u>	<u>(1,611,029)</u>	<u>3,658,788</u>
Net Change in Fund Balances	(7,534,886)	(9,546,868)	341,026	9,887,894
Fund balance - beginning of year	<u>7,534,886</u>	<u>9,546,868</u>	<u>10,660,395</u>	<u>1,113,527</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,001,421</u>	<u>\$ 11,001,421</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	SPECIAL REVENUE FUND			VARIANCE Favorable (Unfavorable)
	BUDGETED AMOUNTS		ACTUAL	
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 3,010	\$ 3,010
Other local revenues	155,774	258,336	218,440	(39,896)
Intergovernmental - State	3,879,381	3,388,095	3,745,784	357,689
Intergovernmental - Federal	4,681,831	4,922,487	4,812,147	(110,340)
<b>TOTAL REVENUES</b>	<u>8,716,986</u>	<u>8,568,918</u>	<u>8,779,381</u>	<u>210,463</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:	5,588,455	5,959,102	6,015,756	(56,654)
Support Services:				
Student	656,884	686,822	633,398	53,424
Instructional staff	1,447,055	1,001,863	1,094,704	(92,841)
District administration	1,108	-	3,338	(3,338)
School administration	368,927	279,783	288,857	(9,074)
Business	89,040	140,795	483,481	(342,686)
Plant operations and maintenance	-	-	(14,628)	14,628
Student transportation	-	-	-	-
Community services	566,092	575,553	611,640	(36,087)
Capital outlay	-	-	33,976	(33,976)
<b>TOTAL EXPENDITURES</b>	<u>8,717,561</u>	<u>8,643,918</u>	<u>9,150,522</u>	<u>(506,604)</u>
Excess (Deficit) of Revenues over Expenditures	<u>(575)</u>	<u>(75,000)</u>	<u>(371,141)</u>	<u>(296,141)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	75,000	375,090	300,090
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>-</u>	<u>75,000</u>	<u>375,090</u>	<u>300,090</u>
Net Change in Fund Balances	(575)	-	3,949	3,949
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ (575)</u>	<u>\$ -</u>	<u>\$ 3,949</u>	<u>\$ 3,949</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019**

	<u>FOOD SERVICE FUND</u>	<u>DAY CARE FUND</u>	<u>TOTAL PROPRIETARY FUNDS</u>
<b>ASSETS:</b>			
Current Assets			
Cash and cash equivalents	\$ 1,371,401	\$ 219,065	\$ 1,590,466
Accounts receivable	-	-	-
Inventory	40,349	-	40,349
Total Current Assets	<u>1,411,750</u>	<u>219,065</u>	<u>1,630,815</u>
Noncurrent Assets			
Machinery & equipment	1,770,474	-	1,770,474
Accumulated depreciation	(1,307,516)	-	(1,307,516)
Total Noncurrent Assets	<u>462,958</u>	<u>-</u>	<u>462,958</u>
<b>TOTAL ASSETS</b>	<u>1,874,708</u>	<u>219,065</u>	<u>2,093,773</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension Plan	36,462	24,599	61,061
OPEB	29,648	11,495	41,143
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>66,110</u>	<u>36,094</u>	<u>102,204</u>
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts payable	583	1,756	2,339
Noncurrent Liabilities			
Net pension liability	653,283	205,745	859,028
Net OPEB liability	124,829	47,621	172,450
<b>TOTAL LIABILITIES</b>	<u>778,695</u>	<u>255,122</u>	<u>1,033,817</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Plan	56,056	18,768	74,824
OPEB	99,400	23,984	123,384
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>155,456</u>	<u>42,752</u>	<u>198,208</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	462,958	-	462,958
Restricted	867,458	260,024	1,127,482
Unrestricted	(323,749)	(302,739)	(626,488)
<b>TOTAL NET POSITION</b>	<u>\$ 1,006,667</u>	<u>\$ (42,715)</u>	<u>\$ 963,952</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	FOOD SERVICE FUND	DAY CARE FUND	TOTAL PROPRIETARY FUNDS
<b>OPERATING REVENUES:</b>			
Lunchroom sales	\$ 385,790	\$ -	\$ 385,790
Other operating revenues	-	756,644	756,644
<b>TOTAL OPERATING REVENUES</b>	<b>385,790</b>	<b>756,644</b>	<b>1,142,434</b>
<b>OPERATING EXPENSES:</b>			
Salaries and wages	1,329,134	347,440	1,676,574
Employee benefits	744,079	149,981	894,060
Contract services	192,808	16,579	209,387
Materials and supplies	2,633,193	22,955	2,656,148
Property	105,750	-	105,750
Miscellaneous	12,163	6,408	18,571
Depreciation	90,888	-	90,888
<b>TOTAL OPERATING EXPENSES</b>	<b>5,108,015</b>	<b>543,363</b>	<b>5,651,378</b>
Operating income (loss)	(4,722,225)	213,281	(4,508,944)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Federal grants	3,726,475	-	3,726,475
Federal commodities	271,908	-	271,908
State grants	300,590	37,480	338,070
Interest income	29,131	3,865	32,996
Loss on disposal	(4,434)	-	(4,434)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	<b>4,323,670</b>	<b>41,345</b>	<b>4,365,015</b>
Net income (loss) before operating transfers	(398,555)	254,626	(143,929)
Operating transfers	(256,177)	(187,456)	(443,633)
Change in net position	(654,732)	67,170	(587,562)
Total net position - beginning of year	1,323,245	(217,128)	1,106,117
Prior period adjustment (see Note 19)	338,154	107,243	445,397
Total net position - beginning of year restated	1,661,399	(109,885)	1,551,514
Total net position - end of year	<u>\$ 1,006,667</u>	<u>\$ (42,715)</u>	<u>\$ 963,952</u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	FOOD SERVICE FUND	DAY CARE FUND	TOTAL PROPRIETARY FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 418,014	\$ 756,644	\$ 1,174,658
Cash paid to suppliers	(2,626,041)	(44,655)	(2,670,696)
Cash paid to employees	(1,630,031)	(419,130)	(2,049,161)
Net Cash Provided (Used) by Operating Activities	(3,838,058)	292,859	(3,545,199)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	(256,177)	(187,456)	(443,633)
Governmental grants	3,755,797	-	3,755,797
Net Cash Provided (Used) by Noncapital Activities	3,499,620	(187,456)	3,312,164
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets	(94,243)	-	(94,243)
Loss on disposal	4,434	-	4,434
Net Cash Provided (Used) by Financing Activities	(89,809)	-	(89,809)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	29,131	3,865	32,996
Net Cash Provided (Used) by Investing Activities	29,131	3,865	32,996
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(399,116)	109,268	(289,848)
<b>Cash and cash equivalents - beginning of year</b>	1,770,517	109,797	1,880,314
<b>Cash and cash equivalents - end of year</b>	\$ 1,371,401	\$ 219,065	\$ 1,590,466
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (4,722,225)	\$ 213,281	\$ (4,508,944)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:			
Federal commodities	271,908	-	271,908
On-behalf payments	266,835	37,480	304,315
Depreciation	90,888	-	90,888
Changes in Assets and Liabilities:			
Accounts Receivable	32,224	-	32,224
Inventory	49,676	-	49,676
Deferred outflows	293,777	149,869	443,646
Accounts payable	(3,711)	1,287	(2,424)
Deferred inflows	48,114	17,692	65,806
Net pension liability	17,167	3,973	21,140
Net OPEB liability	(182,711)	(130,723)	(313,434)
Net Cash Provided (Used) by Operating Activities	\$ (3,838,058)	\$ 292,859	\$ (3,545,199)
<b>Schedule of non-cash transactions:</b>			
Donated commodities received from federal government	\$ 271,908	\$ -	\$ 271,908
On-behalf payments	\$ 266,835	\$ 37,480	\$ 304,315

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019**

		<u>AGENCY FUNDS</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$	380,335
Accounts receivable		<u>11,375</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>391,710</u></u></b>
<b>LIABILITIES:</b>		
Accounts payable	\$	31
Due to student groups		<u>391,679</u>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b><u><u>391,710</u></u></b>
<b>NET POSITION:</b>		
Net position - restricted for school activity funds	\$	<u><u>-</u></u>

See Accompanying Notes to the Financial Statements

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – REPORTING ENTITY**

The Jessamine County Board of Education (Board), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Jessamine County School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, as Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

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

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

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

**Blended Component Unit**

**Jessamine County Board of Education Finance Corporation** - In a prior year, the Board resolved to authorize the establishment of the Jessamine County School District Finance Corporation (a non-stock, non-profit corporation organized under School Bond Act and Chapter 273 and KRS 58.180) (the Corporation) as an agency of the District for financing the costs of school building improvements. The Board members of the Jessamine County Board of Education also comprise the corporation's Board of Directors. The Corporation does not publish individual component unit financial statements.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS**

**BASIS OF PRESENTATION**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activity of the reporting entity, except for fiduciary funds. The statements distinguish between governmental and business-type activities. The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the statements for governmental funds.

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

Fund Financial Statements

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

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Fund Financial Statements (Cont'd)

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

The District has the following funds:

I. Governmental Fund Types

(A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any fund balances are considered as resources available for use. This is a major fund of the District.

(B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes.

1) The Special Revenue Fund includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund of the District.

2) The District Activity Fund is a special revenue fund used to account for funds collected at individual schools for operation costs of the school or school district that allows for more flexibility in the expenditure of those funds. This is a non-major fund of the District.

(C) Capital Project Funds are used to account for financial resources used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds). The following are Capital Project Funds:

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Fund Financial Statements (Cont'd)

- 1) The Capital Outlay Fund, Support Education Excellence in Kentucky (SEEK), receives resources that are designated by the state as Capital Outlay Funds (unless authorized for retention in the General Fund) and is generally restricted for use in financing capital acquisitions. This is a non-major fund of the District.
- 2) The Building fund, Facility Support Program of Kentucky (FSPK), accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan. This is a non-major fund of the District.
- 3) The Construction Fund accounts for funds from two sources. First, funds generated by sales of bonds issues are used for various construction and renovation projects. Second, proceeds from the sale of properties and equipment owned by the District are to be used at the discretion of the Board for construction projects in future years. This is a major fund of the District.

(D) The Debt Service Fund accounts for financial resources used for payment of principal and interest and other debt related costs. This is a non-major fund of the District.

II. Proprietary Fund Types (Enterprise Fund)

(A) The Food Service Fund accounts for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture ("USDA"). Amounts have been recorded for in-kind contribution of commodities from the USDA. The Food Service Fund is a major fund.

(B) The Day Care Fund is used to account for child care revenue. The Day Care Fund is a major fund.

III. Fiduciary Fund Type (Agency)

(A) The Agency Fund accounts for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the *Uniform Program of Accounting for School Activity Funds*.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

**BASIS OF ACCOUNTING**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions are where each party receives equal value. On the modified accrual basis of accounting, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Assets from property taxes are normally recognized when an enforceable legal claim arises. However, for the District, an enforceable legal claim arises during the period for which taxes are levied, but only after the District has completed certain legal steps to establish the enforceable legal claim. Property taxes receivable are recognized in the same period that the revenues are recognized. The property taxes are normally levied in September.

On the modified accrual basis of accounting, assets and revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements when in which the District must provide local resources to be used for a specified purpose and expenditure requirements for in which the resources that are provided to the District on a reimbursement basis. Revenues from non-exchange transactions must also be available before they can be recognized in the governmental fund statements.

In the Government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Revenues – Exchange and Non-Exchange Transactions (Cont'd)

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Revenues from local sources consist primarily of property taxes. Property taxes collected are recorded as revenues in the fund for which they were levied. Revenue is recognized when susceptible to accrual. Miscellaneous revenues are recorded on the same basis, if measurable. Investment earnings are recorded as earned since they are measurable and available.

Grant funds which are recorded in the special revenue fund as restricted funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as unearned revenues until all eligibility requirements have been met.

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

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

Cash, Cash Equivalents and Investments

The District considers demand deposits, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents. All investments are in obligations of the US Treasury Department and are reported at estimated fair value based on quoted sales prices of these securities.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Inventory

Inventory consists of food purchased by the District and commodities granted by the United States Department of Agriculture (USDA). The commodities are recognized as revenues and expenditures by the Food Service Fund when consumed. Any material commodities on hand at year end are recorded as inventory. All purchased inventory items are valued at the lower of cost or market (first-in, first-out) using the consumption method and commodities assigned values are based on information provided by the USDA.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of one thousand dollars with the exception of computers, digital cameras and real property for which there is no threshold. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are expensed.

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

Buildings and improvements	25-50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5-10 years
Audio-visual equipment	15 years
Food service equipment	10-12 years
Furniture and fixtures	7 years
Other	10 years

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Property Taxes

Property taxes are levied each September on the assessed value listed as of the prior January 1<sup>st</sup> for all real and personal property in the city. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax bill mailing.

Property taxes collected are recorded as revenues in the fiscal year for which they were levied. All taxes collected are initially deposited into the General Fund; and then, transferred to the appropriate fund, if the taxes are restricted to a specific purpose, such as the Building Fund (FSPK).

The property tax rates assessed for the year ended June 30, 2019 to finance the General Fund operations were \$.693 per \$100 valuation for real property, \$.693 per \$100 valuation for business personal property and \$.547 per \$100 valuation for motor vehicles. The District levies a 3% utility tax on all businesses and households within the County.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund advances are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statements of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Budgetary Process

The District's budgetary process accounts for certain transactions on a basis of accounting other than Generally Accepted Accounting Principles (GAAP). The major difference between the budgetary basis and the GAAP basis is that on-behalf payments made by the state for the District are not budgeted. As a result, several programs exceeded budgetary appropriations. However, these amounts were funded by the on-behalf revenues from the State. (See Note 15)

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Per District policy, only amendments that aggregate greater than \$50,000 require Board approval. Such amendments made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end in accordance with state law. Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year end. The budget for the Special Revenue Fund consists of the sum of each active grant's budget. Large variances between budgeted and actual activity can occur because grants with little activity during the year will have their entire budget rolled up into the combined budget for all grants.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Accrued Liabilities and Long-Term Obligations

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

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

Accumulated Unpaid Sick Leave Benefits

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

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the amount "accumulated sick leave payable" in the general fund. The non-current portion of the liability is not reported in the fund financial statements, but is reflected in the statement of net position.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Fund Balances

The District follows the provisions of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) to report components of fund balance in its governmental funds. Fund balances for each of the District's governmental funds (general fund, special revenue funds, capital projects funds, and debt service funds) will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- *Restricted fund balance*—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. Fund balance in the SEEK, construction, FSPK are restricted for capital projects totaling \$32,613,883. District Activity funds are restricted for student activities with a total of \$93,828 and Special Revenue funds are restricted for programs with a total of \$3,949 at June 30, 2019.
- *Committed fund balance*—amounts that can be spent only for specific purposes determined by a formal action of the Board's highest level of decision-making authority. The District reported \$1,168,663 in committed funds in the General Fund at June 30, 2019. Funds are committed to cover the anticipated costs of sick leave payouts and purchase of buses.
- *Assigned fund balance*—amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The Board or a delegated entity has the authority to assign amounts to be used for specific purposes. Assigned fund balance in the General Fund includes amounts that have been appropriated for expenditures in the budget for the District's subsequent fiscal year. As of June 30, 2019, the District assigned \$101,058 for the FY2020 budget.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

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

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

The District considers unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Also, the District has established the order of assigned, committed and restricted when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities less deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets and any deferred outflows/inflows related to debt issued for capital financing. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by various schools and fees charged for day care services. All other revenues are non-operating. Operating expenses can be tied directly to the production of the goods and services, such as the materials and labor and direct overhead. Other expenses are non-operating.

Receivables from and payables to external parties are reported separately and are not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Bond Issuance Costs

Debt issuance costs are expensed in the period they are incurred.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the appropriate period. The District reports three types of deferred outflows- contributions to the CERS and KTRS pension systems after the measurement period, differences between actual and estimated actuarial assumptions in the two pension systems (see Notes 7 and 8), and the unrecognized portion of a deferred loss on the refinancing of long-term debt (see Note 5).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until appropriate period. The District reports one type of deferred inflows- those related to the net differences between projected and actual actuarial assumptions for pension and OPEB plans (see Notes 7 and 8).

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous ("CERS") and Teachers Retirement System of the State of Kentucky ("KTRS") and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the CERS and KTRS, respectively. 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. Both systems publish separate financial statements as described in Note 7.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF FUNDS (Cont'd)**

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous ("CERS") and Teachers Retirement System of the State of Kentucky ("KTRS") and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by these multiple-employer cost-sharing OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized by the pension systems when due and payable in accordance with the benefit terms. Investments are reported at fair value by the pension systems. Both systems publish separate financial statements as described in Note 8.

New Accounting Pronouncements

GASB Statement No. 87, *Leases* (GASB 87), increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that lease are financings of the right to use an underlying asset. GASB 87 will be effective for reporting periods beginning after December 15, 2019. The District has not determined the financial impact of the implementation of GASBS No. 87, but many of the leases reported in Note 6 will be reported as intangible assets and lease liabilities with the implementation of GASBS No. 87.

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. This statement establishes criteria for identifying fiduciary activities for all state and local governments. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 will be effective for reporting periods beginning after December 15, 2018. The District has not determined the financial impact of the implementation of GASBS No. 84, but the school activity funds will be reviewed to determine which funds will be reported as special revenue funds, which will increase net position, and which will be reported as fiduciary custodial funds.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

The Kentucky Revised Statutes authorize the District to invest money subject to its control in obligations of the United States; bonds or certificates of indebtedness of Kentucky and its agencies and instrumentalities; savings and loan associations insured by an agency of the United States up to the amount insured; and national or state banks chartered in Kentucky and insured by an agency of the United States providing such banks pledge as security obligations, as permitted by KRS 41.240 (4), having a current quoted market value at least equal to uninsured deposits.

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment. To address custodial credit risk, the District's policy is to invest in investments which are in accordance to State law. The securities are held in the name of the District and the District receives direct confirmation of any transaction. The US Treasury Obligations have a Moody's rating of AA+.

Interest rate risk for investments is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with investment policy, the District manages its exposure to declines in fair value by limiting the maturity of its investments to six months or less.

Fair value Measurements- The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments or other observable inputs; and Level 3 inputs are unobservable inputs. At June 30, 2019, the District had the following recurring value measurements which are Level 1 inputs:

U.S. Treasury Obligations	\$19,963,057 Fair Value
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At year end, the District's bank balances were collateralized by securities held by the pledging bank's trust department in the District's name and FDIC Insurance. At year end, the carrying amount of the District's cash and cash equivalents was \$51,304,543. The bank balance for the same time was \$54,182,365.

Due to the nature of the accounts and limitations imposed by the purposes of the various funds, all cash balances are considered to be restricted except for the General Fund.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Capital Assets not being depreciated:				
Land	\$3,967,668	\$0	\$0	\$3,967,668
Construction in Progress	4,825,041	8,967,017	0	13,792,057
Total Capital Assets not being depreciated	8,792,708	8,967,017	0	17,759,725
Other Capital Assets				
Land Improvements	3,528,689	0	0	3,528,689
Buildings & Improvements	157,213,306	0	0	157,213,306
Technological Equipment	2,955,805	102,676	529,736	2,528,745
Vehicles	10,438,802	0	109,584	10,329,218
General Equipment	1,309,123	12,122	10,331	1,310,914
Total Other Assets	175,445,725	114,798	649,651	174,910,872
Less accumulated depreciation for:				
Land Improvements	3,311,559	46,097	0	3,357,656
Buildings & Improvements	50,534,248	3,902,554	0	54,436,802
Technological Equipment	2,783,826	65,776	529,743	2,319,858
Vehicles	7,219,444	551,050	78,669	7,691,825
General Equipment	1,013,965	60,908	10,331	1,064,542
Total accumulated depreciation	64,863,042	4,626,385	618,744	68,870,683
Other Capital Assets, net	110,582,683	(4,511,587)	30,908	106,040,189
Governmental Activities, net	<u>\$119,375,391</u>	<u>\$4,455,430</u>	<u>\$30,908</u>	<u>\$123,799,914</u>
<b><u>Business-Type Activities</u></b>				
Technological Equipment	\$26,068	\$0	\$6,716	\$19,352
General Equipment	1,738,268	94,243	81,389	1,751,122
Total	1,764,336	94,243	88,105	1,770,474
Less accumulated depreciation for:				
Technological Equipment	26,068	0	6,716	19,352
General Equipment	1,274,230	90,888	76,955	1,288,164
Total accumulated depreciation	1,300,298	90,888	83,671	1,307,516
Business Activities, net	<u>\$464,038</u>	<u>\$3,355</u>	<u>\$4,434</u>	<u>\$462,958</u>

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 4 - CAPITAL ASSETS (cont'd)**

Depreciation expense was charged to functions of the governmental activities of the District as follows:

**Governmental Activities:**

Instruction	\$3,856,650
Support Services:	
Student	12,179
Instructional Staff	-
District Administration	36,726
School Administration	9,491
Business Support	3,276
Plant Operations & Maintenance	164,074
Student Transportation	543,990
Non-instructional	-
Total depreciation expense, governmental activities	\$4,626,385

**NOTE 5 – LONG-TERM DEBT AND LEASE OBLIGATIONS**

Bonds

The District, through the General Fund, the Building Fund, and the SEEK Capital Outlay Fund are obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Jessamine County School District Finance Corporation to construct school facilities. The District has the option to purchase the property under lease at any time by retiring the bonds then outstanding.

In connection with the school revenue bonds issued after May 1, 1996, the District entered into "Participation agreements" with the School Facility Construction Commission. The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. The table below sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal outstanding has been recorded in the financial statements.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 5 - LONG-TERM DEBT AND LEASE OBLIGATIONS (cont'd)**

The original amount of each issue, the issue date, interest rates, and outstanding balances of each bond are summarized below:

Issue	Proceeds	Rates	Maturity Dates	Outstanding Balance June 30, 2019
2009R	\$5,395,000	2.00% - 3.70%	8/1/2020	\$915,000
2010R	1,815,000	3.00%	5/1/2022	1,330,000
2011R	4,815,000	2.00% - 2.75%	6/1/2019	0
2012A	15,305,000	2.00%	3/1/2032	14,605,000
2012B	4,570,000	0.70%	3.50%	4,510,000
2012QZAB	4,248,592	1.19%	4/1/1932	2,857,929
2013	3,350,000	0.65% - 2.10%	5/1/2027	1,405,000
2014A	7,375,000	2.00% - 3.50%	8/1/2029	6,815,000
2014B	8,470,000	2.00% - 3.50%	9/1/2034	8,160,000
2014C	14,645,000	2.00% - 3.50%	2/1/2025	7,425,000
2015	14,925,000	2.00% - 3.50%	2/1/2026	13,145,000
2016R	18,420,000	1.00% - 2.125%	5/1/2028	14,175,000
2017	5,290,000	3.00% - 3.375%	6/1/2037	4,775,000
2018	6,115,000	3.00% - 3.875%	11/1/2038	6,115,000
2019	30,550,000	3.00% - 3.25%	6/1/2039	30,550,000
	<u>\$145,288,592</u>			<u>\$116,782,929</u>

The bonds which may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2019 for debt service (principal and interest) are as follows:

Year	Jessamine County School District		Kentucky School Construction Commission		Total
	Principal	Interest	Principal	Interest	
2020	\$5,435,829	\$3,536,587	\$263,748	\$78,124	\$9,314,288
2021	5,629,351	3,311,399	162,660	71,777	9,175,187
2022	5,822,074	3,091,453	167,401	67,033	9,147,961
2023	5,984,487	2,937,854	172,481	61,954	9,156,776
2024	6,161,775	2,772,653	177,715	56,720	9,168,863
2025-2029	31,627,142	11,343,943	974,209	197,962	44,143,256
2030-2034	30,792,318	6,335,871	586,739	58,673	37,773,601
2035-2039	22,745,411	2,153,710	79,588	2,819	24,981,528
	<u>\$114,198,388</u>	<u>\$35,483,470</u>	<u>\$2,584,541</u>	<u>\$595,062</u>	<u>\$152,861,460</u>

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 5 - LONG-TERM DEBT AND LEASE OBLIGATIONS (cont'd)**

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2019:

	06/30/18			06/30/19	Amounts
	Beginnin Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds	\$85,665,204	\$36,665,000	\$5,547,275	\$116,782,929	\$5,699,577
Bond (Discount)/Premium	373,942	(726,925)	132,395	(220,588)	0
Kista	154,024		154,024	0	
Sick Leave	683,518	215,738	105,471	793,785	75,336
Total	<u>\$86,876,688</u>	<u>\$36,153,813</u>	<u>\$5,939,165</u>	<u>\$117,356,126</u>	<u>\$5,774,913</u>

**NOTE 6 - COMMITMENTS UNDER NON-CAPITALIZED LEASES**

Commitments under operating lease agreements for office equipment provided for the minimum future rental payments as of June 30, 2019 are as follows:

Year Ending June 30	Amount
2020	\$ 2,051
2021	1,746
2022	692
2023	692
2024	231
	<u>\$ 5,412</u>

Expenditures for equipment under operating leases for the year ended June 30, 2019 totaled \$768.

**NOTE 7 - RETIREMENT PLAN**

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

**General information about the County Employees Retirement System Non-Hazardous ("CERS")**

Plan Description

Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 - RETIREMENT PLAN (cont'd)**

Plan Description (cont'd)

Under the provisions of the Kentucky Revised Statute (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and the General Assembly of the Commonwealth 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, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years’ service. For retirement purposes, employees are grouped into three tiers, based on hire date:

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

Cost of living adjustments are provided at the discretion of the General Assembly. Beginning in 2015, COLAs were suspended until the retirement funds reach 100% funded status.

Retirement benefits are calculated using factors for the number of years’ service multiplied by the “final compensation.” Reduced benefits are based on factors of both of these components. Again, the definitions of “final compensation” and the benefit factor for years’ of service depend on the Tier in which the member participates. Benefits in Tier 3, the cash balance plan, are limited to the accumulated contributions and earnings credited to the member’s account, similar to a defined contribution plan. There are, however, minimum rates of return that are guaranteed and funded with employer contributions when actual earnings are less than these minimum rates.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 - RETIREMENT PLAN (cont'd)**

Benefits provided (cont'd)

Tier 1	Final Compensation	Average of the highest 5 fiscal years
	Benefit Factor	2.2% prior to 8/1/2004 or 2% after 8/1/2004
	Interest on member accounts	2%
Tier 2	Final Compensation	5 complete fiscal years preceding retirement
	Benefit Factor	Scale of 1.1% to 2% based on number of years of service
	Interest on member accounts	2.50%
Tier 3	Final Compensation	N/A
	Benefit Factor	N/A
	Interest on member accounts	4% plus 75% of the 5 year geometric average earnings in excess of 4%
	Employer Pay Credit	4% of creditable compensation

Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are provided in a \$5,000 lump sum payment.

- Death benefits before retirement are based on the member's eligibility for normal or early retirement at the time of death, or five years of service if the member is under the age of 55, or 144 months of service if the member is no longer working for a participating agency.
- If beneficiaries are eligible for benefits, they may choose a lifetime monthly benefit or a lump sum payment for an actuarial refund, or annuities for 5 or 10 years of monthly payments.
- If the beneficiary is not eligible for monthly benefits, a lump sum payment of the member's contributions and accumulated interest will be paid. Beneficiaries of Tier 3 members will also include the employer pay credit if the member has at least 5 years of service at the time of death.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 - RETIREMENT PLAN (cont'd)**

Benefits provided (cont'd)

- If the member dies as a result of a duty-related death, the decedent's beneficiary will receive the higher of the normal death benefit or \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children.
- Dependent children also receive benefits for duty-related deaths as a monthly benefit equal to 10% of the member's monthly final rate of pay. But, dependent children benefits cannot total more than 40% of the monthly final rate of pay.

Contributions

Required contributions by the employee are based on the tier:

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

**General information about the Kentucky Teachers' Retirement System ("KTRS")**

Plan description

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

Benefits provided

For employees who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, employees become vested when they complete five (5) years of credited service.

To qualify for monthly retirement benefits, payable for life, employees must either:

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

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 - RETIREMENT PLAN (cont'd)**

Benefits provided (cont'd)

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

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

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

Contributions

Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to KTRS.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 - RETIREMENT PLAN (cont'd)**

**Other Retirement Plans**

The District also offers employees the option to participate in defined contribution plans under Sections 403(B) and 401(K) of the Internal Revenue Code. All regular full-time and part-time employees are eligible to participate and may contribute up to the maximum amount allowable by law. These plans are administered by independent third-party administrators.

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 their 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 report these assets and liabilities on its financial statements. Employee contributions made to the plans during the year totaled \$105,185. The District does not contribute to these plans.

**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 Commonwealth 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 Commonwealth 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 net CERS pension liability	\$	26,866,040
Commonwealth's proportionate share of the net KTRS pension liability associated with the District		142,965,050
	\$	<u>169,831,090</u>

The net pension liability for CERS was based on the total pension liability that was determined by an actuarial valuation as of June 30, 2018.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 - RETIREMENT PLAN (cont'd)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont'd)**

The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2018, using generally accepted actuarial principles. 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 .441128%. For the year ended June 30, 2019, the District recognized pension expense of \$2,208,962 (\$2,014,853 in Governmental funds and \$194,109 in Proprietary fund) related to CERS. The net pension liability for KTRS was based on the total pension liability that was measured as of June 30, 2018, determined by an actuarial valuation as of that date. The district recognized pension expense of \$17,272,224 related to KTRS. The District also recognized revenue of \$17,272,224 for KTRS support provided by the Commonwealth.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 876,295	\$ 393,262
Changes of assumptions	2,625,594	-
Net difference between projected and actual earnings on pension plan investments	1,249,291	1,571,430
Changes in proportion and differences between District contributions and proportionate share of contributions	649	683,207
District contributions subsequent to the measurement date	<u>1,834,789</u>	<u>-</u>
	<u>\$ 6,586,618</u>	<u>\$ 2,647,899</u>

\$1,834,789 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:

**JESSAMINE COUNTY SCHOOL DISTRICT  
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**NOTE 7 - RETIREMENT PLAN (cont'd)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont'd)**

Year ended June 30:

2020	\$1,831,993
2021	\$ 816,030
2022	\$ (399,899)
2023	\$ (144,195)
2024	\$ -

Actuarial assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>KTRS</u>
Inflation	2.30%	3.0%
Projected salary increases	3.30%-11.55% (varies by service)	3.5-7.3%
Investment rate of return, net of investment expense & inflation	6.25%	7.5%

For CERS, the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement. At the time of the last experience study, performed as of June 30, 2013, this mortality assumption provided 37% and 19% margin for future improvement for males and females, respectively. This will be reviewed again when the next experience investigation is conducted for the 2019 actuarial analysis.

For KTRS, Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025, set forward two years for males and one year for females. The last experience study was performed for the period July 1, 2010 – June 30, 2015.

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.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - RETIREMENT PLAN (cont'd)**

Actuarial assumptions (cont'd)

In May 2017, the Kentucky Retirement Systems Board of Trustees adopted a new asset allocation policy based on recommendations from the investment professionals serving as trustees on the Board, the actuarial valuation used a long-term expected rate of return determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by CERS' investment trustees, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap	5.00%	4.50%
U.S. Mid Cap	6.00%	4.50%
U.S. Small Cap	6.50%	5.50%
International Developed	12.50%	6.50%
Emerging Markets	5.00%	7.25%
Global Bonds	4.00%	3.00%
Global IG Credit	2.00%	3.75%
High Yield	7.00%	5.50%
Emerging Market Debt	5.00%	6.00%
Illiquid Private	10.00%	8.50%
Private Equity	10.00%	6.50%
Real Estate	5.00%	9.00%
Absolute Return	10.00%	5.00%
Real Return	10.00%	7.00%
Cash	2.00%	1.50%
Total	<u>100.0%</u>	

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.

**JESSAMINE COUNTY SCHOOL DISTRICT  
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**NOTE 7 - RETIREMENT PLAN (cont'd)**

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:

Actuarial assumptions (cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	40.00%	4.20%
International Equity	22.00%	5.20%
Fixed Income	15.00%	1.20%
Additional Categories*	8.00%	3.30%
Real Estate	6.00%	3.80%
Private Equity	7.00%	6.30%
Cash	2.00%	0.90%
Total	<u>100.00%</u>	

*\*Includes High Yield, Non-US Developed Bonds, and Private Credit Strategies*

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 6.25%. 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 at the Actuarially Determined Contribution rates, adjusted by 95%, for all fiscal years in the future. 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments. The change in the discount rate from the 4.49% used in the 2017 disclosure reports is considered a change in the actuarial assumptions or other inputs under GASBS No. 68.

*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:

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - RETIREMENT PLAN (cont'd)**

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 33,821,561	\$ 26,866,040	\$ 21,038,531
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.

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)**

The District's employees are provided with two OPEB 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. Retired District employees receive some health care benefits depending on their length of service. In accordance with Kentucky Revised Statutes, these benefits are provided and advance funded on an actuarially determined basis through the CERS and KTRS plans. The Kentucky Retirement System's publicly available financial report may be obtained from <http://kyret.ky.gov/>. KTRS issues a publicly available financial report that can be obtained at [http://www.ktrs.ky.gov/05\\_publications/index.htm](http://www.ktrs.ky.gov/05_publications/index.htm).

CERS Other Postemployment Benefits

Plan Description—CERS health insurance benefits are also subject to various participation dates to determine eligibility and health insurance contribution rates. For employees who initiated participation in the CERS system prior to July 1, 2003, KRS pays a percentage of the monthly contribution rate for insurance covered based on the retired member's years of service and type of service. Non-hazardous members receive a contribution subsidy for only the member's health insurance premium. Hazardous members receive a contribution subsidy for both the member and dependent coverage.

Benefits Provided—Percentage of premium subsidies ranges from 0% for less than 4 years of service to 100% for 20 years or more of service. For members who initiated participation in the CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the KRS health plans. Members who began participating with KRS on or after September 1, 2008, must have 180 months of service upon retirement to participate in the KRS health plans. Non-hazardous retirees receive \$10 toward the monthly premium for each full year of service.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

*CERS Other Postemployment Benefits (cont'd)*

Hazardous retirees receive \$15 toward the monthly premium and the hazardous retiree's spouse may also receive this contribution upon the retiree's death. The monthly insurance benefit has been increased annually by a Cost of Living Adjustment (COLA) since July 2004.

Contributions—CERS allocates a portion of the employer contributions to the health insurance benefit plans. For the 2018 measurement period, CERS allocated 4.70% of the 19.18% actuarially required contribution rate paid by employers for funding the healthcare benefit. In addition, 1% of the Tier 2 and 3 employee contributions of 6% are allocated to the health insurance plan.

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

At June 30, 2019, the District reported a liability of \$7,831,909 for its proportionate share of the collective net CERS OPEB liability. The total OPEB liability, net OPEB liability, and sensitivity information for CERS are based on an actuarial valuation performed as of June 30, 2017. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2018, using generally accepted actuarial principles. 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 0.441115%.

The amount recognized by the District as its proportionate share of the OPEB liability was \$7,831,909 as of June 30, 2019. For the year ended June 30, 2019, the District recognized OPEB expense of \$262,273.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

CERS Other Postemployment Benefits (cont'd)

	<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$	912,705 18,095
Changes of assumptions	1,564,148		
Net difference between projected and actual earnings on OPEB plan investments	-		539,465
Changes in proportion and differences between District contributions and proportionate share of contributions	-		241,001
District contributions subsequent to the measurement date	595,005		-
	\$ 2,159,153	\$	1,711,266

Of the total amount reported as deferred outflows of resources related to OPEB, \$86,186 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 in the District's OPEB expense as follows:

<u>Year ended June 30:</u>	
2020	\$ (18,394)
2021	\$ (18,394)
2022	\$ (18,394)
2023	\$ 86,380
2024	\$(114,210)
Thereafter	\$ (64,104)

*Actuarial assumptions* – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**JESSAMINE COUNTY SCHOOL DISTRICT  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

*CERS Other Postemployment Benefits (cont'd)*

Investment rate of return	6.25%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.30% - 11.55%, depending on years of service
Inflation rate	2.30%
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 2 years
Municipal Bond Index Rate	3.62%
Discount Rate	5.85%

Mortality rates were based on the RP-2000 Combined Mortality Table updated with Scale BB from the year 2000 to the year 2013. Pre-retirement mortality male mortality rates are multiplied by 50% and female mortality rates are multiplied by 30%. Post-retirement mortality rates for females are set back one year. The RP-2000 Disabled Mortality Table is used for post-retirement mortality using the Scale BB projected to 2025. Male mortality rates are set back four years.

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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2013 valuation. The investment return, price inflation, and payroll growth assumption were adopted by the Board in May and July 2017 for use with the June 30, 2018 valuation in order to reflect future economic expectations.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major class are summarized in the table below.

**JESSAMINE COUNTY SCHOOL DISTRICT  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

CERS Other Postemployment Benefits (cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	5.00%	4.50%
U.S. Mid Cap	6.00%	4.50%
U.S. Small Cap	6.50%	5.50%
International Developed	12.50%	6.50%
Emerging Markets	5.00%	7.25%
Global Bonds	4.00%	3.00%
Global IG Credit	2.00%	3.75%
High Yield	7.00%	5.50%
Emerging Market Debt	5.00%	6.00%
Illiquid Private	10.00%	8.50%
Private Equity	10.00%	6.50%
Real Estate	5.00%	9.00%
Absolute Return	10.00%	5.00%
Real Return	10.00%	7.00%
Cash	2.00%	1.50%
Total	<u>100.0%</u>	

*Discount rate* – The single discount rate of 5.85% for CERS-Nonhazardous was used to measure the total OPEB liability as of June 30, 2018. The Single discount rate is based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 3.62%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2018. Future contributions are projected in accordance with the current funding policy mandated in Ky Revised Statutes 61.565, as amended, which includes the requirement that each participating employer in the System contribute the actuarially determined contribution rate, which is determined using a closed funding period (26 years as of June 30, 2018) and the actuarial assumptions and methods adopted by the Board of Trustees. Current assets, future contributions, and investment earnings are projected to be sufficient to pay the projected benefit payments from the retirement system. However, the cost associated with the implicit employer subsidy is not currently included in the calculation of the System’s actuarial determined contributions, but any cost associated with the implicit subsidy is not paid out of the System’s trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

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:

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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

CERS Other Postemployment Benefits (cont'd)

	1% Decrease		Current Discount Rate		1% Increase
	4.85%		5.85%		6.85%
District's proportionate share of net OPEB liability	\$ 10,172,394	\$	7,831,829	\$	5,838,243

*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 Health Care Trend Rate		1% Increase
	6.5% decreasing to 4%		7.5% decreasing to 5%		8.5% decreasing to 6%
District's proportionate share of net OPEB liability	\$ 5,830,934	\$	7,831,829	\$	10,190,483

*OPEB plan fiduciary net position* – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued KRS financial report.

KTRS Postemployment Health Care Benefits

The Commonwealth of Kentucky (State) reports a liability, deferred outflows of resources and deferred inflows of resources, and expense as a result of its statutory requirement to contribute to the KTRS Medical Insurance and Life Insurance Plans. The following information is about the KTRS plans:

*Plan description*—In addition to the pension benefits described in Note 7, KRS 161.675 requires KTRS to provide post-employment healthcare benefits to eligible employees and dependents. The KTRS Medical Insurance Fund is a cost-sharing multiple employer defined benefit plan. Changes made to the medical plan may be made by the KTRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

**JESSAMINE COUNTY SCHOOL DISTRICT  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

*KTRS Postemployment Health Care Benefits (cont'd)*

Benefits Provided—To be eligible for medical benefits, the member must have retired either for service or disability. The KTRS Medical Insurance Fund offers coverage to employees under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. Once retired employees 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, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

For the state's fiscal year ended June 30, 2018, the State budgeted supplemental appropriations for the Kentucky Teachers Retirement System to improve the system's funded status. Although not actuarially required, these appropriations have been included in the State's share of contributions for the actuarial measurement as of June 30, 2018.

**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 \$19,371,000 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 .558300%.

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:

**JESSAMINE COUNTY SCHOOL DISTRICT  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

*KTRS Postemployment Health Care Benefits (cont'd)*

District's proportionate share of the net KTRS OPEB liability	\$	19,371,000
Commonwealth's proportionate share of the net KTRS OPEB liability associated with the District		16,694,000
Total	\$	36,065,000

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,057,449 and revenue of \$1,057,449 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

		<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	-	\$	992,000
Changes of assumptions		266,000		-
Net difference between projected and actual earnings on OPEB plan investments		-		79,000
Changes in proportion and differences between District contributions and proportionate share of contributions		-		458,000
District contributions subsequent to the measurement date		1,029,058		-
	\$	1,295,058	\$	1,529,000

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,029,058 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30:

2020	\$	(246,000)
2021	\$	(246,000)
2022	\$	(246,000)
2023	\$	(211,000)
2024	\$	(218,000)
Thereafter	\$	(96,000)

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont’d)**

*KTRS Postemployment Health Care Benefits (cont’d)*

*Actuarial assumptions* – The total OPEB liability in the June 30, 2018 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%, including inflation
Inflation rate	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Healthcare cost trend rates	
Under 65	7.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2024
Ages 65 and Older	5.75% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2021
Medicare Part B Premiums	1.02% for FY 2018 with an ultimate rate of 5.00% by 2030
Municipal Bond Index Rate	3.56%
Discount Rate	8.00%
Single Equivalent Interest Rate	8.00%, net of OPEB plan investment expense, including inflation.

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

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

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

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

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

KTRS Postemployment Health Care Benefits (cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	4.6%
Fixed Income	9.0%	1.2%
Additional Categories*	20.0%	3.3%
Real Estate	5.5%	3.8%
Private Equity	6.5%	6.3%
Cash	1.0%	.9%
Total	<u>100.0%</u>	

*\*Includes high yield, non-US developed bonds, and private credit strategies*

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

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

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
District's proportionate share of MIF net OPEB liability	\$ 22,716,000	\$ 19,371,000	\$ 16,585,000

*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:

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

KTRS Postemployment Health Care Benefits (cont'd)

	1% Decrease	Current Health Care Trend Rate	1% Increase
	6.75%	7.75%	8.75%
	decreasing to 4%	decreasing to 5%	decreasing to 6%
District's proportionate share of net OPEB liability	\$ 16,063,000	\$ 19,371,000	\$ 23,453,000

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

KTRS Postemployment Life Insurance Benefits

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

*Benefits provided* – TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member’s estate or to a party designated by the member.

*Contributions* – In order to fund the post-retirement life insurance benefit, three hundredths of one percent (.03%) of the gross annual payroll of members is contributed by the state.

For the state’s fiscal year ended June 30, 2018, the State budgeted supplemental appropriations for the Kentucky Teachers Retirement System to improve the system’s funded status. Although not actuarially required, these appropriations have been included in the State’s share of contributions for the actuarial measurement as of June 30, 2018.

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

At June 30, 2019, the Kentucky School District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont'd)**

KTRS Postemployment Life Insurance Benefits (cont'd)

District's proportionate share of the net KTRS OPEB liability	\$	-
Commonwealth's proportionate share of the net KTRS OPEB liability associated with the District		286,000
	\$	286,000

The collective net OPEB liability for life insurance was based on an actuarial valuation performed as of June 30, 2018. The total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the State's long-term share of contributions to the State's life insurance plan for District employees relative to the projected contributions for all employees, actuarially determined. For the year ended June 30, 2019, the District recognized OPEB expense of \$48,000 and revenue of \$48,000 for support provided by the State.

*Actuarial assumptions* – The total OPEB liability in the June 30, 2018 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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 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.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) (cont’d)**

*KTRS Postemployment Life Insurance Benefits (cont’d)*

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S Equity	40.0%	4.2%
International Equity	23.0%	5.2%
Fixed Income	18.0%	1.2%
Additional Categories*	6.0%	3.3%
Real Estate	6.0%	3.8%
Private Equity	5.0%	6.3%
Cash	<u>2.0%</u>	.9%
Total	<u>100.0%</u>	

*\*Includes high yield, non-US developed bonds, and private credit strategies*

*Discount rate* - The discount rate used to measure the 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.

The following table presents the District’s proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
District’s proportionate share of LIF net OPEB liability	\$ -	\$ -	\$ -

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

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – ACCUMULATED UNPAID SICK LEAVE BENEFITS**

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. At June 30, 2019, this amount totaled \$793,785. The District follows a policy of funding up to one-half of the total amount accrued as a commitment of the General Fund balance.

**NOTE 10- INSURANCE AND RELATED ACTIVITIES**

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas are covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated and include workers' compensation insurance.

**NOTE 11 - CONTINGENCIES**

Funding for the District's Grant Funds is provided by federal, state and local government agencies. These funds are to be used for designated purposes only. If, based upon the grantor's review, the funds are considered not to have been used for the intended purpose the grantor may request a refund of monies advanced, or to refuse to reimburse the District for its disbursements. The amount of such future refunds and un-reimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantor's satisfaction that the funds provided are being spent as intended and the grantor's intent to continue their programs. 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.

**NOTE 12 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for worker's compensation, errors and omissions, and general liability coverage the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 12 - RISK MANAGEMENT (cont'd)**

Contributions to the Workers' Compensation Fund are based on premium rates established by such a fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four months after the expiration of the self-insurance term. The liability insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage, and for any reason, by giving ninety days notice. In the event the Trust terminated coverage, any amount remaining in the Fund would be returned to the member on a pro rata basis. The District purchases unemployment insurance through the Kentucky School Boards Insurance Trust Unemployment Compensation Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past several fiscal years.

**NOTE 13 - COBRA**

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

**NOTE 14 - DEFICIT OPERATING/ FUND BALANCES**

No funds are operating as a deficit fund balance at June 30, 2019. The following funds had operations that resulted in a current year deficit of revenues over expenditures resulting in the following reductions of fund balances:

Food Service	\$654,732
District Activity	\$23,934

**NOTE 15 – INTERFUND TRANSACTIONS**

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
General	Special Revenue	KETS	\$205,000
General	Construction	Construction	\$1,500,000
General	Debt Service	Debt Service	\$244,720
Day Care	General	Operating Expenses	\$17,366
Day Care	Special Revenue	Operating Expenses	\$170,090
Building	Construction	Construction	\$200,000
Building	Debt Service	Debt Service	\$7,604,050
Food Service	General	Operating Expenses	\$256,177

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 16 - ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2019, the Commonwealth of Kentucky contributed estimated payments on behalf of the District as follows:

Kentucky Teachers Retirement System	\$ 11,225,914
Health & Life Insurance	8,970,795
Technology	122,240
Debt Service	<u>380,903</u>
<b>Recognized at the Fund Level</b>	<b>\$ <u>20,699,852</u></b>
Additional pension & OPEB expense recognized at the Government-Wide Level	<u>\$ 7,261,311</u>
<b>Total On-Behalf</b>	<b>\$ <u><u>27,961,163</u></u></b>

These payments were recorded in the appropriate revenue and expense accounts on the statement of revenue, expenses, and changes in fund balance as follows:

General Fund	\$ 20,014,634
Food Service Fund	266,835
Debt Service Fund	380,903
Day Care Fund	<u>37,480</u>
Total	<u><u>\$ 20,699,852</u></u>

**NOTE 17 – LITIGATION**

The District is subject to several legal actions in various stages of litigation, the outcome of which is not determinable at this time. Management of the District and its legal counsel do not anticipate that there will be any material effect on the combined financial statements as a result of the cases presently in progress.

**NOTE 18 – SUBSEQUENT EVENTS**

In preparing these financial statements, management of the District has evaluated events and transaction for potential recognition or disclosure through November 8, 2019, the date the financial statements were available to be issued.

**NOTE 19 – PRIOR PERIOD ADJUSTMENTS**

The District has determined that amounts related to pensions and OPEB were misstated in the prior year. Upon review of the prior year calculations for these amounts it was discovered that the adjustments as shown in the following table were necessary to fairly state the pension and OPEB beginning balances. This was corrected in the current year resulting in the prior period adjustment as shown in the Government Wide Statement of Activities and the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 19 – PRIOR PERIOD ADJUSTMENTS (cont'd)**

The adjustment affected beginning balances for the year ended June 30, 2019 as shown in the following table:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
<u>Governmental:</u>			
Deferred outflows of resources - Pension	\$ 13,412,810	\$ (4,944,699)	\$ 8,468,111
Deferred outflows of resources – OPEB	\$ 3,385,995	\$ 38,817	\$ 3,424,812
Net OPEB liability	\$ 19,802,523	\$ 643,477	\$ 20,446,000
Deferred inflows of resources - Pension	\$ 3,356,275	\$ (636,064)	\$ 2,720,211
Deferred inflows of resources - OPEB	\$ 718,568	\$ 8,274	\$ 726,842
Net position	\$ 4,868,848	\$ (4,921,569)	\$ (52,721)
<u>Proprietary:</u>			
Deferred outflows of resources - Pension	\$ 435,808	\$ (187,603)	\$ 248,205
Deferred outflows of resources - OPEB	\$ 110,041	\$ (38,811)	\$ 71,230
Net OPEB liability	\$ 643,477	\$ (643,477)	\$ -
Deferred inflows of resources - Pension	\$ 109,056	\$ (20,057)	\$ 88,999
Deferred inflows of resources - OPEB	\$ 23,347	\$ (8,277)	\$ 15,070
Net position	\$ 1,106,117	\$ 445,397	\$ 1,551,514

JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTAL SCHEDULES

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2019**

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
<b>COUNTY EMPLOYEES RETIREMENT SYSTEM:</b>					
District's proportion of the net pension liability	0.441128%	0.454879%	0.467410%	0.467270%	0.452750%
District's proportionate share of the net pension liability	\$ 26,866,040	\$ 26,625,466	\$ 23,013,507	\$ 20,090,315	\$ 14,688,816
District's covered-employee payroll	\$ 10,829,370	\$ 11,076,229	\$ 11,102,808	\$ 11,156,620	\$ 11,003,034
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	248.08%	240.38%	207.28%	180.08%	133.50%
Plan fiduciary net position as a percentage of the total pension liability	53.54%	53.30%	55.50%	59.97%	66.80%
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>					
District's proportion of the net pension liability	0%	0%	0%	0%	0%
District's proportionate share of the net pension liability	-	-	-	-	-
State's proportionate share of the net pension liability associated with the District	\$ 142,965,050	\$ 295,387,116	\$ 328,040,315	\$ 252,771,792	\$ 214,615,677
Total	<u>\$ 142,965,050</u>	<u>\$ 295,387,116</u>	<u>\$ 328,040,315</u>	<u>\$ 252,771,792</u>	<u>\$ 214,615,677</u>
District's covered-employee payroll	\$ 35,820,749	\$ 35,288,900	\$ 35,293,692	\$ 33,757,544	\$ 32,732,645
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	59.30%	56.40%	54.60%	55.30%	53.60%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018	2017	2016	2015	2014
<b>COUNTY EMPLOYEES RETIREMENT SYSTEM:</b>						
Contractually required contribution	\$ 1,834,789	\$ 1,583,141	\$ 2,068,851	\$ 1,903,411	\$ 1,395,102	\$ 1,962,055
Contributions in relation to the contractually required contribution	<u>1,834,789</u>	<u>1,583,141</u>	<u>2,068,851</u>	<u>1,903,411</u>	<u>1,395,102</u>	<u>1,962,055</u>
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	\$ 11,312,387	\$ 10,829,370	\$ 11,076,229	\$ 11,102,808	\$ 11,156,620	\$ 11,003,034
District's contributions as a percentage of its covered-employee payroll	16.22%	14.62%	18.68%	17.14%	12.50%	17.83%
 <b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	\$ 36,957,749	\$ 35,820,749	\$ 35,288,900	\$ 35,293,692	\$ 33,757,544	\$ 32,732,645
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION  
FOR THE YEAR ENDED JUNE 30, 2019**

**COUNTY EMPLOYEES RETIREMENT SYSTEM:**

Changes of Benefit Terms -

2009: A new benefit tier for members who first participate on or after September 1, 2008 was introduced which included the following changes:

1. Tiered Structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

2014: A cash balance plan was introduced for member whose participation date is on or after January 1, 2014

Changes of Assumptions -

The actuarially determined contribution rates are determined in an annual basis using the actuarial valuation conducted two years prior to the year in which the contribution will be assessed. The amortization period for the unfunded liability was reset as of July 1, 2013 to a closed 30-year period. For the 2017 actuarial valuation, several key actuarial assumptions were revised. Changes in assumptions prior to 2016 provided minor adjustments to the actuarial measurements. The following table outlines the actuarial methods and assumptions that were used in 2017 and 2016 to determine contribution rates reported for all systems:

<b>Assumption</b>	<b>2017 Valuation</b>	<b>2016 Valuation</b>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level of Percentage of Payroll, closed	Level of Percentage of Payroll, closed
Remaining Amortization Period	26 Years	27 Years
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Post-retirement benefit adjustments	0.00%	0.00%
Inflation	<b>2.30%</b>	<b>3.25%</b>
Salary Increase	<b>3.3% to 11.55%</b> varies by service), average, including Inflation	<b>4%</b> , average, including Inflation
Investment Rate of Return	<b>6.25%</b> , Net of Pension Plan Investment Expense, including Inflation	<b>7.5%</b> , Net of Pension Plan Investment Expense, including Inflation

**KENTUCKY TEACHER'S RETIREMENT SYSTEM:**

Changes of Benefit Terms - None

Changes of Assumptions:

The 2018 actuarial analysis for KTRS indicated that cash flows for the system would be sufficient to pay benefits in all periods. As a result, the discount rate for the 2018 study was the same as the long-term expected yield of 7.5%. In 2017, the analysis used a blended rate of 4.49% which included the application of the municipal bond index to periods after 2038.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY - MEDICAL  
INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2019**

	Reporting Fiscal Year (Measurement Date)	Reporting Fiscal Year (Measurement Date)
	2019 (2018)	2018 (2017)
<b>COUNTY EMPLOYEES RETIREMENT SYSTEM:</b>		
District's proportion of the net OPEB liability	0.441115%	0.454879%
District's proportionate share of the net OPEB liability	\$ 7,831,829	\$ 9,144,624
District's covered-employee payroll	\$ 10,829,370	\$ 11,076,229
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	72.32%	82.56%
Plan fiduciary net position as a percentage of the total OPEB liability	57.62%	52.40%
 <b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>		
District's proportion of the net OPEB liability	0.558300%	0.573386%
District's proportionate share of the net OPEB liability	19,371,000	20,446,000
State's proportionate share of the net OPEB liability associated with the District	\$ 16,694,000	\$ 16,701,000
Total	<u>\$ 36,065,000</u>	<u>\$ 37,147,000</u>
District's covered-employee payroll	\$ 35,820,749	\$ 35,288,900
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	54.08%	57.94%
Plan fiduciary net position as a percentage of the total OPEB liability	25.50%	21.18%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS - MEDICAL INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>COUNTY EMPLOYEES RETIREMENT SYSTEM:</b>			
Contractually required contribution	\$ 595,005	\$ 513,871	\$ 523,857
Contributions in relation to the contractually required contribution	<u>595,005</u>	<u>513,871</u>	<u>523,857</u>
Contribution deficiency (excess)	-	-	-
District's covered-employee payroll	\$ 11,312,387	\$ 10,829,370	\$ 11,076,229
District's contributions as a percentage of its covered-employee payroll	5.26%	4.75%	4.73%
 <b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>			
Contractually required contribution	\$ 1,029,058	\$ 994,507	\$ 982,372
Contributions in relation to the contractually required contribution	<u>1,029,058</u>	<u>994,507</u>	<u>982,372</u>
Contribution deficiency (excess)	-	-	-
District's covered-employee payroll	\$ 34,300,505	\$ 35,820,749	\$ 35,288,900
District's contributions as a percentage of its covered-employee payroll	3.00%	2.78%	2.78%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - MEDICAL INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2019**

**COUNTY EMPLOYEES RETIREMENT SYSTEM:**

Valuation Date: June 30, 2018

**Changes in actuarial assumptions:**

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions which were changed from the 2016 actuarial valuation, applied to all periods included in the measurement:

- Investment rate of return: 6.25%, net of OPEB plan investment expense, including inflation.
- Projected salary increases: 4% average
- Inflation rate: 3.25%
- 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 2 years
- Municipal bond index rate: 3.56%
- Discount rate: 5.84%

**KENTUCKY TEACHER'S RETIREMENT SYSTEM:**

Valuation Date: June 30, 2018

**2017 Changes to benefit terms:**

With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retire prior to July 1, 2010 is restored, but the State will only finance, via its KEHP "shared responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY - LIFE  
INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Reporting Fiscal Year (Measurement Date)</u>	<u>Reporting Fiscal Year (Measurement Date)</u>
	2019 (2018)	2018 (2017)
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>		
District's proportion of the net OPEB liability	0%	0%
District's proportionate share of the net OPEB liability	-	-
State's proportionate share of the net OPEB liability associated with the District	\$ 286,000	\$ 224,000
Total	<u>\$ 286,000</u>	<u>\$ 224,000</u>
District's covered-employee payroll	\$ 35,820,749	\$ 35,288,900
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	75.00%	79.99%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS - LIFE INSURANCE PLAN  
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018	2017
<b>KENTUCKY TEACHER'S RETIREMENT SYSTEM:</b>			
Contractually required contribution	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-
Contribution deficiency (excess)	-	-	-
District's covered-employee payroll	\$ 34,300,505	\$ 35,820,749	\$ 35,288,900
District's contributions as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%

**Note:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**Note:** These amounts are based on the prior year's measurement period, not the District's fiscal year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - LIFE INSURANCE  
PLAN  
FOR THE YEAR ENDED JUNE 30, 2019**

**KENTUCKY TEACHER'S RETIREMENT SYSTEM:**

Valuation Date: June 30, 2018

**Changes to benefit terms:**

With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retire prior to July 1, 2010 is restored, but the State will only finance, via its KEHP "shared responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or

JESSAMINE COUNTY SCHOOL DISTRICT  
SUPPLEMENTAL SCHEDULES

**JESSAMINE COUNTY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	DISTRICT ACTIVITY FUND	SEEK CAPITAL OUTLAY FUND	FSPK BUILDING FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 93,828	\$ 743,645	\$ 783,510	\$ -	\$ 1,620,983
Accounts receivable	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ <u>93,828</u></b>	<b>\$ <u>743,645</u></b>	<b>\$ <u>783,510</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>1,620,983</u></b>
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCES:</b>					
Restricted	93,828	743,645	783,510	-	1,620,983
<b>TOTAL FUND BALANCES</b>	<b>93,828</b>	<b>743,645</b>	<b>783,510</b>	<b>-</b>	<b>1,620,983</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>93,828</u></b>	<b>\$ <u>743,645</u></b>	<b>\$ <u>783,510</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>1,620,983</u></b>

**JESSAMINE COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	DISTRICT ACTIVITY FUND	SEEK CAPITAL OUTLAY FUND	FSPK BUILDING FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
From local sources:					
Taxes:					
Property	\$ -	\$ -	\$ 6,821,217	\$ -	\$ 6,821,217
Earnings on investments	-	7,726	40,392	-	48,118
Fees	227,105	-	-	-	227,105
Other	581	-	-	-	581
Intergovernmental - State	-	735,888	1,589,828	380,903	2,706,619
<b>TOTAL REVENUES</b>	<u>227,686</u>	<u>743,614</u>	<u>8,451,437</u>	<u>380,903</u>	<u>9,803,640</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction	143,698	-	-	-	143,698
Student support	5,050	-	-	-	5,050
Instructional staff support	74,751	-	-	-	74,751
Plant operations and maintenance	26,200	-	-	-	26,200
Debt service	-	-	-	8,229,673	8,229,673
<b>TOTAL EXPENDITURES</b>	<u>249,699</u>	<u>-</u>	<u>-</u>	<u>8,229,673</u>	<u>8,479,372</u>
Excess (Deficit) of Revenues over Expenditures	<u>(22,013)</u>	<u>743,614</u>	<u>8,451,437</u>	<u>(7,848,770)</u>	<u>1,324,268</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	-	-	-	7,848,770	7,848,770
Operating transfers out	-	-	(7,804,050)	-	(7,804,050)
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>-</u>	<u>-</u>	<u>(7,804,050)</u>	<u>7,848,770</u>	<u>44,720</u>
Net Change in Fund Balances	(22,013)	743,614	647,387	-	1,368,988
Fund balance - beginning of year	<u>115,841</u>	<u>31</u>	<u>136,123</u>	<u>-</u>	<u>251,995</u>
Fund balance - end of year	<u>\$ 93,828</u>	<u>\$ 743,645</u>	<u>\$ 783,510</u>	<u>\$ -</u>	<u>\$ 1,620,983</u>

**JESSAMINE COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
SCHOOL ACTIVITY FUNDS  
For The Year Ended June 30, 2019**

	Cash Balances June 30, 2018	Receipts	Disbursements	Cash Balances June 30, 2019	Accounts Receivable June 30, 2019	Accounts Payable June 30, 2019	Due To Student Groups June 30, 2019
East Jessamine High School	\$ 7,225	\$ 275,730	\$ 254,731	\$ 28,224	\$ -	\$ -	\$ 28,224
West Jessamine High School	45,545	521,210	502,180	64,575	10,875	-	75,450
The Providence School	39,470	12,171	18,001	33,640	-	-	33,640
East Jessamine Middle School	23,905	152,435	149,288	27,052	500	-	27,552
West Jessamine Middle School	49,827	126,968	112,774	64,021	-	31	63,990
Brookside Elementary	6,776	37,507	28,376	15,907	-	-	15,907
Jessamine Early Learning Village	15,490	17,880	17,533	15,837	-	-	15,837
Jessamine Career and Tech. Center	38,071	142,101	137,713	42,459	-	-	42,459
Nicholasville Elementary	12,171	12,555	13,232	11,494	-	-	11,494
Red Oak	14,444	34,631	34,071	15,004	-	-	15,004
Rosenwald Dunbar Elementary	32,185	43,055	45,332	29,908	-	-	29,908
Warner Elementary	4,960	10,810	10,742	5,028	-	-	5,028
Wilmore Elementary School	23,799	40,616	37,229	27,186	-	-	27,186
	<u>\$ 313,868</u>	<u>\$ 1,427,669</u>	<u>\$ 1,361,202</u>	<u>\$ 380,335</u>	<u>\$ 11,375</u>	<u>\$ 31</u>	<u>\$ 391,679</u>

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
EAST JESSAMINE HIGH SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

ACCOUNTS:	Cash Balances June 30, 2018	Receipts	Disbursements	Cash Balances June 30, 2019	Accounts Receivable June 30, 2019	Accounts Payable June 30, 2019	Due To Student Groups June 30, 2019
ACADEMIC	\$ 57	\$ -	\$ 57	\$ -	\$ -	\$ -	\$ -
AP-BIO	1	-	1	-	-	-	-
AP-TEST	11	14,748	11,818	2,941	-	-	2,941
APEX	-	-	-	-	-	-	-
ART	5	761	596	170	-	-	170
ATHLETICS	-	172,397	166,514	5,883	-	-	5,883
BETA	64	791	855	-	-	-	-
CHOIR	-	1,572	1,572	-	-	-	-
CHORUS	12	10,986	10,998	-	-	-	-
COKE	911	1,862	1,395	1,378	-	-	1,378
COLLEGE	-	-	-	-	-	-	-
COMMUNITY	-	-	-	-	-	-	-
DRAMA	2,322	8,015	9,032	1,305	-	-	1,305
FIELD-TRIP	-	19,705	19,700	5	-	-	5
FRC	45	-	45	-	-	-	-
GENERAL	-	14,691	14,410	281	-	-	281
GOVERNMENT	362	4,922	2,481	2,803	-	-	2,803
GRAD FUND	2	-	2	-	-	-	-
GUIDANCE	471	989	1,460	-	-	-	-
HOME-EC	341	-	335	6	-	-	6
HONOR	5	496	501	-	-	-	-
INCENTIVE ACCOUNT	31	-	31	-	-	-	-
IPAD	6	1,800	-	1,806	-	-	1,806
LANG ARTS	300	-	300	-	-	-	-
LIFE SKILL	32	-	32	-	-	-	-
MATH	55	-	55	-	-	-	-
ORCHESTRA	150	-	150	-	-	-	-
PROM	560	15,770	9,688	6,642	-	-	6,642
SCHOLARSHIP	-	-	-	-	-	-	-
SCIENCE	49	739	-	788	-	-	788
SOCIAL STU	22	-	22	-	-	-	-
SPANISH	63	-	63	-	-	-	-
SPECIAL ED	-	-	-	-	-	-	-
SPEECH	271	-	271	-	-	-	-
STORE	520	2,323	2,347	496	-	-	496
TECHNOLOGY	350	3,050	-	3,400	-	-	3,400
TRIPLE A	-	-	-	-	-	-	-
VENDOR	207	113	-	320	-	-	320
SUBTOTALS	<u>\$ 7,225</u>	<u>\$ 275,730</u>	<u>\$ 254,731</u>	<u>\$ 28,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,224</u>

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
WEST JESSAMINE HIGH SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

ACCOUNTS:	Cash Balances June 30, 2018	Receipts	Disbursements	Cash Balances June 30, 2019	Accounts Receivable June 30, 2019	Accounts Payable June 30, 2019	Due To Student Groups June 30, 2019
ACADEMIC	\$ -	\$ 1,006	\$ 1,006	\$ -	\$ -	\$ -	\$ -
ACTIVITY CARD	-	19,912	14,075	5,837	-	-	5,837
ALGEBRA	240	-	-	240	-	-	240
ART	791	300	351	740	-	-	740
ATHLETICS	788	187,875	186,781	1,882	-	-	1,882
BETA	340	111	-	451	-	-	451
CHOIR	364	8,195	8,462	97	-	-	97
CHOIR TRIP	-	200	200	-	-	-	-
CLASS TRIP	-	77,175	76,146	1,029	-	-	1,029
DANCE BLUE	150	-	-	150	-	-	150
DRAMA	5,438	34,582	35,636	4,384	675	-	5,059
DRIVERS ED	690	-	-	690	-	-	690
FCA	-	260	62	198	-	-	198
FITNESS	454	556	1,010	-	-	-	-
FRENCH	78	-	-	78	-	-	78
FRISBEE	-	288	-	288	-	-	288
GENERAL	390	7,528	5,009	2,909	-	-	2,909
GUIDANCE	4,517	31,889	27,819	8,587	-	-	8,587
GUITAR	225	-	-	225	-	-	225
HOMECOMING	1,113	2,133	1,302	1,944	-	-	1,944
INSTRUCT	1,123	59,208	56,958	3,373	-	-	3,373
LIFE SKILL	-	-	-	-	-	-	-
MATH	1,368	950	1,131	1,187	-	-	1,187
MUSICAL	-	-	-	-	-	-	-
NATIONAL HONOR	1,461	2,366	2,983	844	-	-	844
POSTAGE	1	-	1	-	-	-	-
PROM	9,249	14,785	19,217	4,817	-	-	4,817
PSAT	334	684	-	1,018	-	-	1,018
SHOW CHOIR	2,025	12,041	11,198	2,868	-	-	2,868
SCIENCE	4,524	4,842	3,662	5,704	-	-	5,704
SENATE	965	2,935	2,742	1,158	-	-	1,158
SUMMER SCH	4,625	3,820	-	8,445	-	-	8,445
SPEECH	82	-	-	82	-	-	82
STORE	1,354	18,898	18,124	2,128	-	-	2,128
TEACHER VENDING	826	3,118	2,307	1,637	80	-	1,717
TECHNOLOGY	-	11,530	11,125	405	120	-	525
TECH CLUB	800	1,314	2,053	61	10,000	-	10,061
VENDING	439	2,032	2,315	156	-	-	156
WORLD LANGUAGE CLUB	154	-	-	154	-	-	154
Y - CLUB	115	10,677	10,476	316	-	-	316
YOUTH SERVICE CENTER	522	-	29	493	-	-	493
<b>TOTALS</b>	<u>\$ 45,545</u>	<u>\$ 521,210</u>	<u>\$ 502,180</u>	<u>\$ 64,575</u>	<u>\$ 10,875</u>	<u>\$ -</u>	<u>\$ 75,450</u>

**JESSAMINE COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
THE PROVIDENCE SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

ACCOUNTS:	Cash Balances June 30, 2018	Receipts	Disbursements	Cash Balances June 30, 2019	Accounts Receivable June 30, 2019	Accounts Payable June 30, 2019	Due To Student Groups June 30, 2019
ARCHERY FUND	\$ 24,994	\$ 2,654	\$ 4,109	\$ 23,539	\$ -	\$ -	\$ 23,539
BOOKFAIR				-	-	-	-
EMPTY BOWLS	4,355	2,968	3,669	3,654	-	-	3,654
FRC				-	-	-	-
GENERAL	7,142	5,253	8,022	4,373	-	-	4,373
GRADUATION FUND	690	224	450	464	-	-	464
SENIOR FUND	1,491	500	497	1,494	-	-	1,494
STORE				-	-	-	-
TEACHER FUND	798	572	1,254	116	-	-	116
TOTALS	<u>\$ 39,470</u>	<u>\$ 12,171</u>	<u>\$ 18,001</u>	<u>\$ 33,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,640</u>

**JESSAMINE COUNTY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards By Grant**  
**For the Year Ended June 30, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<b>Passed Through Kentucky Department of Education</b>			
<b>United States Department of Agriculture</b>			
<i>Child Nutrition Cluster-Cluster</i>			
National School Lunch Program			
National School Lunch Program	10.555	4002486	\$271,908
National School Lunch Program	10.555	7750002-18	443,627
National School Lunch Program	10.555	7750002-19	1,958,002
School Breakfast Program	10.553	7760005-18	178,156
School Breakfast Program	10.553	7760005-19	750,605
Child and Adult Care	10.558	7790021-18	49,564
Child and Adult Care	10.558	7790021-19	297,437
Child and Adult Care	10.558	7800016-18	3,519
Child and Adult Care	10.558	7800016-19	20,994
Summer School Feeding Program	10.559	7690024-18	2,310
Summer School Feeding Program	10.559	7690024-19	10
Summer School Feeding Program	10.559	7740023-18	76,595
Summer School Feeding Program	10.559	7740023-19	95
<i>Total Child Nutrition Cluster-Cluster</i>			<u>4,052,822</u>
<b>Total United States Department of Agriculture</b>			<u>4,052,822</u>
<b>United States Department of Education</b>			
<i>Education of Homeless Children and Youth Cluster-Cluster</i>			
Department of Education			
Education for Homeless Children and Youth			
Education for Homeless Children and Youth	84.196	3990002-17	14,020
Education for Homeless Children and Youth	84.196	3990002-18	69,323
Total Education for Homeless Children and Youth			<u>83,343</u>
<i>Special Education Cluster (IDEA)-Cluster</i>			
Department of Education			
Special Education_Grants to States			
Special Education_Grants to States	84.027	3810002-17	582,191
Special Education_Grants to States	84.027	3810002-18	1,054,920
Total Special Education_Grants to States			<u>1,637,111</u>
Special Education_Preschool Grants			
Special Education_Preschool Grants	84.173	3800002-17	9,633
Special Education_Preschool Grants	84.173	3800002-18	33,438
Total Special Education_Preschool Grants			<u>43,071</u>
<i>Total Special Education Cluster (IDEA)-Cluster</i>			<u>1,680,182</u>
Adult Education - Basic Grants to States			
Adult Education - Basic Grants to States	84.002	KYAE - CAREER SERVICES-- 464E	57,978
Adult Education - Basic Grants to States	84.002	ADULT EDUCATION BASIC FEDERAL FY19--373E	25,067
Adult Education - Basic Grants to States	84.002	KYAE RECRUITMENT--365E	52,214
Adult Education - Basic Grants to States	84.002	COMMUNITY-BASED WORK TRANSITION '1--371D	59,731
Total Adult Education - Basic Grants to States			<u>194,990</u>

The accompanying notes are an integral part of this schedule

**JESSAMINE COUNTY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards By Grant**  
**For the Year Ended June 30, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<hr/>			
Title I Grants to Local Educational Agencies			
Title I Grants to Local Educational Agencies	84.010	3100002-17	235,695
Title I Grants to Local Educational Agencies	84.010	3100002-18	1,928,561
Title I Grants to Local Educational Agencies	84.010	3100102-18	959
Title I Grants to Local Educational Agencies	84.010	3100102-17	15,120
Total Title I Grants to Local Educational Agencies			<u>2,180,335</u>
Migrant Education State Grant Program			
Migrant Education State Grant Program	84.011	MIGRANT--311E	52,628
Migrant Education State Grant Program	84.011	MIGRANT--311D	16,281
Total Migrant Education State Grant Program			<u>68,909</u>
Career and Technical Education -- Basic Grants to States			
		PERKINS VOCATIONAL GRANT	
Career and Technical Education -- Basic Grants to States	84.048	FY2019--348E	96,528
		PERKINS VOCATIONAL GRANT--	
Career and Technical Education -- Basic Grants to States	84.048	3489	12,303
Total Career and Technical Education -- Basic Grants to States			<u>108,831</u>
English Language Acquisition State Grants			
English Language Acquisition State Grants	84.365	3300002-17	75
English Language Acquisition State Grants	84.365	3300002-18	40,874
Total English Language Acquisition State Grants			<u>40,949</u>
Improving Teacher Quality State Grants			
Improving Teacher Quality State Grants	84.367	4010T	651
Improving Teacher Quality State Grants	84.367	3230002-16	7,652
Improving Teacher Quality State Grants	84.367	3230002-17	63,999
Improving Teacher Quality State Grants	84.367	3230002-18	324,155
Total Improving Teacher Quality State Grants			<u>396,457</u>
Student Support and Academic Enrichment Program			
Student Support and Academic Enrichment Program	84.424	3420002-17	41,109
Student Support and Academic Enrichment Program	84.424	3400002-18	16,757
Total Student Support and Academic Enrichment Program			<u>57,866</u>
Hurricane Education Recovery			
Hurricane Education Recovery	84.938	496E	284
Total Hurricane Education Recovery			<u>284</u>
<b>Total United States Department of Education</b>			<u>4,812,146</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>8,864,968</u></u>

The accompanying notes are an integral part of this schedule

**JESSAMINE COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2019**

**NOTE 1- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Jessamine County School District under the programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Because the schedule presents only a selected portion of operations of the Jessamine County School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Jessamine County School District did not elect to use the 10% de minimus indirect cost rate.

**NOTE 3 – FOOD DISTRIBUTION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2019, the District received food commodities totaling \$271,908.

# SUMMERS, MCCRARY & SPARKS, P.S.C.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS:

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1961-1992

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Kentucky State Committee for School District Audits  
Members of the Board of Education  
Jessamine County School District  
Nicholasville, KY 40356

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jessamine County School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Jessamine County School District's basic financial statements, and have issued our report thereon dated November 8, 2019.

### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Jessamine County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002.

We noted certain matters that we reported to management for the District in a separate letter dated November 8, 2019.

### **District's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

In addition, the item mentioned above was an instance of noncompliance with specific state statutes or regulations identified in the *Kentucky Public School District's Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits.

### **Purpose of this Report**

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

*Summers, McCrary & Sparks, PSC*

Lexington, KY  
November 8, 2019

# SUMMERS, MCCRARY & SPARKS, P.S.C.

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1961-1992

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

To the Kentucky State Committee for School District Audits  
Members for the Board of Education  
Jessamine County School District  
Nicholasville, KY 40356

### **Report on Compliance for Each Major Federal Program**

We have audited the Jessamine County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Jessamine County School District's major federal programs for the year ended June 30, 2019. Jessamine County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Jessamine County School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements prescribed by the Kentucky State Committee for School District Audits, in the *Auditor Responsibilities* and *State Compliance Requirements* sections contained in the Kentucky Public School District's Audit Contract and Requirements. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jessamine County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Jessamine County School District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Jessamine County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of the Jessamine County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Jessamine County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Jessamine County School District's internal control over compliance.

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

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

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

*Summers, McCrary & Sparks, PSC*

Lexington, KY  
November 8, 2019

**JESSAMINE COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued - unmodified

Internal control over financial reporting:

Material weakness(es) identified?                      yes      X  no

Significant deficiencies identified  
that are not considered to be material  
weakness?              yes      X  none reported

Noncompliance material to financial  
statements noted?                                  X  yes              no

**Federal Awards**

Internal control over majority programs:

Material weakness(es) identified?                      yes      X  no

Significant deficiencies identified  
that are not considered to be material  
weakness(es)?              yes      X  none reported

Type of auditor's report issued on compliance for the major programs - unmodified

Any audit findings disclosed that are  
required to be report in accordance  
with 2 CFR section 200.516 (a)?                          yes      X  no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553;10.555;10.556 & 10559	Child Nutrition Cluster

Dollar threshold used to distinguish  
between type A and type B programs:      \$750,000  

Auditee qualified as low-risk auditee?              X  yes              no

**JESSAMINE COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Section II – Financial Statement Findings**

2019-001 Publication

Condition: District did not publish the budget.

Criteria: Publication of budget of school systems – KRS 424.250

Cause: The District did not publish the budget.

Effect: Noncompliance with Kentucky Revised Statutes.

Recommendation: The District should publish the budget in the newspaper.

Views of Responsible Officials and Planned Corrective Actions:

Director of Finance has advertised the FY2020 Working Budget in the local newspaper.

2019-002 Salaries

Condition: An employee was not paid in accordance with the approved salary schedule.

Criteria: Observance of approved single salary schedule – KRS 157.320(12), KRS 157.50(3), and 702 KAR 3:070

Cause: A retired employee returned to work for the district and was paid at their previous rate, which was not in accordance with the approved salary schedules.

Effect: Noncompliance with Kentucky Revised Statutes and overpayment of employees.

Recommendation: Finance personnel should ensure pay rates are updated and match the approved salary schedule.

Views of Responsible Officials and Planned Corrective Actions:

The sub pay for the employee in question will be corrected to match the Board approved salary schedule.

**Section III – Federal Award Findings and Questioned Costs**

There were no findings this year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Section II – Financial Statement Findings**

No findings in the prior year.

**Section III – Federal Award Findings and Questioned Costs**

No findings in the prior year.

# SUMMERS, MCCRARY & SPARKS, P.S.C.

CERTIFIED PUBLIC ACCOUNTANTS

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EMILY N. JACKSON, CPA

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LAURENCE T. SUMMERS  
1961-1992

Members of the Board of Education  
Jessamine County School District  
Nicholasville, Kentucky 40456

In planning and performing our audit of the financial statements of Jessamine County School District for the year ended June 30, 2019, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 8, 2019 on the financial statements of the Jessamine County School District

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various district personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Respectfully,

*Summers, McCrary & Sparks, PSC*

Lexington, KY  
November 8, 2019

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2019**

**BOARD**

Comment: When performing audit procedures over Pension and OPEB amounts it was noted that some of the beginning balances were misstated.

Response: Director of Finance has reviewed the prior period adjustments and made the changes per the Auditors request.

**ACTIVITY FUNDS**

**East Jessamine High School**

Any exceptions noted in testing appeared to be isolated incidents only and were communicated to management.

**West Jessamine High School**

Comment: During our review of Booster reports, we found the list of officers nor the budgets for any of the Booster Organizations were turned in. We recommend the Principal review the "External Support/Booster Organizations" section of the "Redbook", which states each external support/booster organization must submit the FEIN and the names of the organization's officers and the annual External Support/Booster Organization Budget worksheet (Form F-SA-4B) to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group.

Response: The Principal will work with the Athletic Director to ensure the proper information is submitted by all booster organizations.

**The Providence School**

Any exceptions noted in testing appeared to be isolated incidents only and were communicated to management.

**East Jessamine Middle School**

Comment: During our review of cash disbursements, we could not find 2 invoices. We recommend the bookkeeper review the "Purchases" section of the "Redbook", which states before being processed, each disbursement shall be documented by a completed purchase order and an original vendor invoice.

Response: Principal and Bookkeeper have reviewed the FY2019 Audit comments and will ensure that all Redbook policies and procedures are followed.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2019**

Comment: During our review of A/P and A/R, we found one unrecorded receivable. We recommend the bookkeeper review the "Appendix D: Monthly Reports" section of the "Redbook", which states for receivables, and reimbursements submitted to the district office not reimbursed, or commissions/credits from vendors earned but not received by the end of the month.

Response: Principal and Bookkeeper have reviewed the FY2019 Audit comments and will ensure that all Redbook policies and procedures are followed.

Comment: During our review of fundraisers, we found the Fundraiser Approval (Form F-SA-2A) and Fundraiser Worksheet (F-SA-2B) were not completed. We Recommend the Principal review the "Receipts" section of the "Redbook", which states the Fundraiser Approval (Form F-SA-2A) shall be completed before the fundraiser begins and the activity sponsor shall complete the Fundraiser Worksheet (F-SA-2B) and forward the report to the Principal for review and filing within one week of the completion of the fundraising period or event.

Response: Principal and Bookkeeper have reviewed the FY2019 Audit comments and will ensure that all Redbook policies and procedures are followed

Comment: During our review of transfers, we could not locate completed transfer forms. We recommend the bookkeeper review the "Transfers" section of the "Redbook", which states amounts may be transferred between activity accounts only by proper completion of a Transfer Form (Form F-SA-10).

Response: Principal and Bookkeeper have reviewed the FY2019 Audit comments and will ensure that all Redbook policies and procedures are followed.

**West Jessamine Middle School**

Comment: During our review of A/P and A/R, we found one unrecorded payable. We recommend the bookkeeper review the "Appendix D: Monthly Reports" section of the "Redbook", which states for payables, this report should only list unpaid invoices dated on or before the end of the month.

Response: Bookkeeper has reviewed the Redbook requirements and will ensure the Accounts Payable & Receivable reports will be completed each month.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2019**

**Brookside Elementary School**

Comment: During our review of fundraisers, we found the Fundraiser Worksheet (F-SA-2B) was not being completed. We Recommend the bookkeeper review the "Receipts" section of the "Redbook", which states the activity sponsor shall complete the Fundraiser Worksheet (F-SA-2B) and forward the report to the Principal for review and filing within one week of the completion of the fundraising period or event.

Response: Bookkeeper has reviewed the Redbook requirements and will ensure the Fundraiser worksheet gets completed.

Comment: During our review of Booster reports, we found the list of officer nor the budget for the PTO was not turned in. We recommend the Principal review the "External Support/Booster Organizations" section of the "Redbook", which states each external support/booster organization must submit the FEIN and the names of the organization's officers and the annual External Support/Booster Organization Budget worksheet (Form F-SA-4B) to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group.

Response: Bookkeeper has obtained the list of PTO officers and Budget for the 2019-2020 school year, so this has been addressed and corrected.

**Jessamine Career and Technology Center**

Comment: During our testing of cash receipts, we found multiple instances of students not signing the Multiple Receipt Form when turning in money. We recommend the bookkeeper and teachers review the "Receipts" section of the "Redbook", which states "Students third grade and above must sign the Multiple Receipt Form."

Response: The Bookkeeper will inform all teachers that Students shall be signing their names on Multiple Receipt Forms when they turn in money.

Comment: During our review of fundraisers, we found the Fundraiser Worksheet (F-SA-2B) was not being completed. We Recommend the Principal review the "Receipts" section of the "Redbook", which states the activity sponsor shall complete the Fundraiser Worksheet (F-SA-2B) and forward the report to the Principal for review and filing within one week of the completion of the fundraising period or event.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2019**

Response: Principal and Bookkeeper will remind all teachers that they are required to complete this form at the end of each fundraiser. They plan to also remind the teacher each time they deposit money for a fundraiser that the form is required.

**Nicholasville Elementary School**

Any exceptions noted in testing appeared to be isolated incidents only and were communicated to management.

**Red Oak Elementary School**

Any exceptions noted in testing appeared to be isolated incidents only and were communicated to management.

**Rosenwald Dunbar Elementary School**

Any exceptions noted in testing appeared to be isolated incidents only and were communicated to management.

**Warner Elementary School**

Any exceptions noted in testing appeared to be isolated incidents only and were communicated to management.

**Wilmore Elementary School**

Any exceptions noted in testing appeared to be isolated incidents only and were communicated to management.

**Jessamine Early Learning Village**

Any exceptions noted in testing appeared to be isolated incidents only and were communicated to management.

**STATUS OF PRIOR YEAR COMMENTS**

**East Jessamine High School**

- Previously, during testing of the activity funds it was noted that several of the monthly reports and bank reconciliations were not marked with the date of their review. No similar finding occurred in the current year.

**JESSAMINE COUNTY SCHOOL DISTRICT  
MANAGEMENT LETTER COMMENTS  
JUNE 30, 2019**

**West Jessamine High School**

- Previously, during testing of the activity funds it was noted that a Multiple Receipt Form had been completed by one individual instead of individual students signing the form. No similar finding occurred in the current year.

**The Providence School**

- Previously, during testing of the activity funds it was noted that several of the monthly reports and bank reconciliations were not marked with the date of their review. No similar finding occurred in the current year.

**Brookside Elementary School**

- Previously, during testing of the activity funds it was noted that several of the monthly reports and bank reconciliations were not reviewed in a timely manner. No similar finding occurred in the current year.

**Jessamine Career and Technology Center**

- Previously, during testing of the activity funds it was noted that a Multiple Receipt Form had been completed by one individual instead of individual students signing the form. A similar finding occurred in the current year.

**Red Oak Elementary School**

- Previously, during testing of the activity funds it was noted that a teacher had been holding checks for an extended period of time before remitting to the School Bookkeeper. No similar finding occurred in the current year.