

## Louisville Metro Government Financial Statement Audit Results Fiscal Year Ended June 30, 2019

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## Audit Services:

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### **Summary of Audit Services**



- Audit Communications
- Audit Results
- Areas for Continuous Improvement

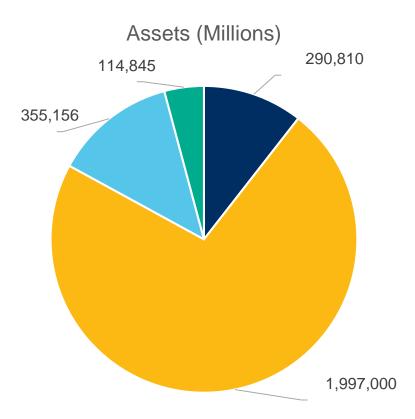
### Single Audit – Audit of Federal Expenditures

- Internal Controls
- Compliance

Government Auditing Standards – Law & Regulations

- Internal Controls
- Compliance.

### **Financial Statements - Assets**



#### LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT STATEMENT OF NET POSITION

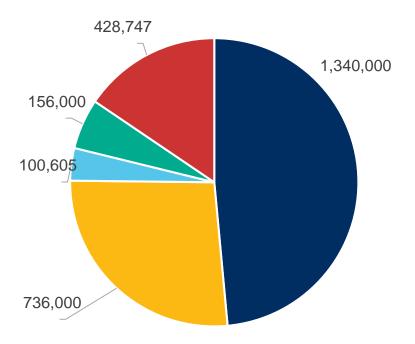
June 30, 2019

	_	Primary Government Governmental Activities	(	Component Units
ASSETS				
Cash and cash equivalents	\$	151,633,719	\$	156,423,492
Investments		73,709,319		66,271,160
Receivables, net of allowance for				
uncollectible amounts		109,567,561		58,751,409
Capital sublease receivable		4,978,174		-
Accrued interest receivable		299,008		1,786,166
Inventories		3,565,477		12,741,642
Supplies		-		143,775
Prepaid items		335,126		9,327,945
Assets restricted by bond indentures and		65 460 216		106 027 607
other legal provisions		65,468,316		186,837,687 2,436,284
Non-utility property Land held for sale		-		10,568,930
Other assets		-		
		949.813.104		36,019,259
Equity interest in LWC Capital assets:		949,815,104		-
Nondepreciable capital assets		493,188,847		616.979.492
Other capital assets, net of accumulated depreciation		553,855,428		3,970,065,150
Total capital assets Total assets		1,047,044,275		4,587,044,642
lotal assets		2,406,414,079		5,128,352,391
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized outflows on sale of future revenues		-		7,931,532
Unamortized loss on refundings		1,865,622		18,725,928
Swap agreements		-		4,336,185
OPEB related deferred outflows		108,179,944		26,957,621
Pension related deferred outflows		245,110,197		67,743,969
Total deferred outflows of resources	_	355,155,763		125,695,235
Total assets and deferred outflows of resources	\$	2,761,569,842	\$	5,254,047,626

- Cash & Investments
- Capital Assets and LWC
- Deferred Outflows Pension/OPEB
- Receivables

### **Financial Statements - Liabilities and Net Position**

Liabilities & Net Position (Millions)



LIABILITIES		
Accounts payable and accrued payroll	59,102,069	81,864,503
Accrued interest payable	3,311,965	19,718,309
Due to other governmental agencies	29,026,087	10,341,040
Unearned revenue	-	732,661
Other liabilities	1,361,983	15,931,685
Long-term liabilities:		
Due within one year	83,231,874	72,660,761
Due in more than one year	716,170,396	2,702,832,518
Net OPEB liability	300,991,501	90,719,910
Net pension liability	1,039,021,315	313,292,009
Total liabilities	2,232,217,190	3,308,093,396
DEFERRED INFLOWS OF RESOURCES		
Unamortized inflows on sale of future revenues	7,931,533	-
Deferred tax credit receipts	11,898,339	-
Deferred inflows on swap agreements and other	-	77,017,000
OPEB related deferred inflows	62,097,078	17,574,323
Pension related deferred inflows	18,678,355	9,698,514
Total deferred inflows of resources	100,605,305	104,289,837
NET POSITION		
Net investment in capital assets	765,166,483	1,840,266,704
Restricted for:		
Capital projects	-	57,374,150
Debt service	3,351,791	91,288,060
Grant programs and other purposes	13,586,975	544,816
Total restricted	16,938,766	149,207,026
Unrestricted	(353,357,902)	(147,809,337)
Total net position	428,747,347	1,841,664,393
Total liabilities, deferred inflows of resources and net position	\$ 2,761,569,842	\$ 5,254,047,626

- Pension/OPEB
- Debt
- Deferred Inflows Pension/OPEB
- Payables & Other
- Net Position

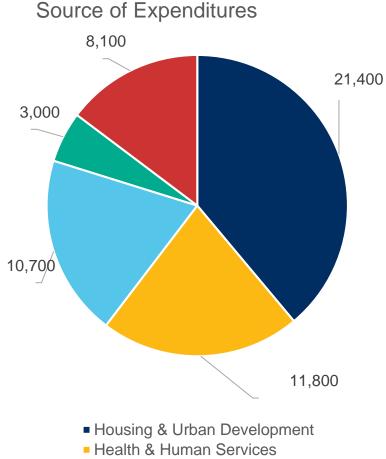
### **Financial Statement Audit Results - Communications**

- Unmodified Opinion on Financial Statements
- Prior Period Adjustment: Long-Term Financing Debt
  - **Condition:** During FY 2019, Management identified an error in the presentation of Metro Government's long-term financing arrangement in the FY 2018 CAFR.
  - Cause: The error resulted from a lack of control implementation over recording and review of the financial impact of an amendment to an existing agreement during fiscal year 2018.
  - Effect: The result was an understatement of long-term liabilities in the government-wide statement of net position, an overstatement of net position in the government-wide statement of net position, and an understatement of expenses in the government-wide statement of activities in the amount of \$107.3 million.
- Other Matters: Waived Adjustments
  - OPEB Police and Fire Insurance Premiums Actuarial \$6.2 million
  - Payables Cut off of invoices and claims- \$950,000
  - Capital Assets Updates to financial records

### **Financial Statement Audit Results - Communications**

- •Other Communications (as applicable):
  - Other Information in Documents Containing Audited Financial Statements
  - Significant Difficulties Encountered During The Audit
  - Disagreements With Management
  - Significant Related Party Findings and Issues
  - Other Finding or Issues We Find Relevant or Significant

### **Single Audit**



- Dept of Transportation
- Agriculture
- Other

- Metro Expended over \$56 million in FY19
- Three Sources make up a significant portion:
  - HUD 38%
  - HHS 21%
  - DOT 19%
- Major programs tested:
  - WIC
  - CDBG
  - HOME
  - DOT National Infrastructure
- Audit Results
  - Unmodified Opinion
  - No findings over internal control
  - No findings over compliance



# Thank You

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