

Independent Auditor's Report

Board of Regents
Kentucky Community and Technical College System
Versailles, Kentucky

Opinion

We have audited the accompanying closing package, which is comprised of AFR 81, AFR 82, AFR 83, AFR 115, AFR115A, AFR 116, AFR 117, AFR 120, AFR 121, AFR 127, AFR 132, AFR 133, AFR 140, AFR 141, AFR 142, AFR 143, AFR 144, AFR 145 and AFR 146 of Kentucky Community and Technical College System (System), a component unit of the Commonwealth of Kentucky, as of and for the year ended June 30, 2024, in accordance with instructions from the Auditor of Public Accounts of the Commonwealth of Kentucky for preparation of such closing package.

In our opinion, based on our audit, the accompanying closing package referred to above presents fairly, in all material respects, information related to assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, and changes in net position of System as of and for the year ended June 30, 2024, in accordance with instructions from the Auditor of Public Accounts of the Commonwealth of Kentucky for preparation of such closing package.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Closing Package section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The closing package has been prepared in accordance with instructions from the Auditor of Public Accounts of the Commonwealth of Kentucky (to be used for preparation of the general purpose financial statements of the Commonwealth of Kentucky) and is not intended to be a complete presentation in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Closing Package

Management is responsible for the preparation and fair presentation of the closing package in accordance with the instructions from the Auditor of Public Accounts of the Commonwealth of Kentucky and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the closing package that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Closing Package

Our objectives are to obtain reasonable assurance about whether the closing package as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the closing package.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the closing package, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the closing package.
- Obtain an understanding of internal control relevant to the audit 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 System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the closing package.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

This report is intended solely for the information and use of the board of regents and management of the System, the Auditor of Public Accounts of the Commonwealth of Kentucky, and officials of the Commonwealth of Kentucky Finance and Administration Cabinet, and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

**Louisville, Kentucky
December 2, 2024**