

Strothman & Company P S C

Certified Public Accountants & Advisors



Financial Statements and
Related Information

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

Table of Contents

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	3
Financial Statement	
Combined Statement of Fiduciary Net Assets	5
Notes to Combined Statement of Fiduciary Net Assets	6
Combining Information	
Combining Statement of Fiduciary Net Assets	9
Combining Statement of Cash Receipts and Disbursements	32
Report Required by <i>Government Auditing Standards</i>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37

Independent Auditors' Report



Members of the Board
Jefferson County Board of Education
Louisville, Kentucky

We have audited the accompanying combined statement of fiduciary net assets of the Elementary School Activity Funds (the "Activity Funds") of the Jefferson County Board of Education (the "Board") as of June 30, 2012. This financial statement is the responsibility of the Board's management. Our responsibility is to express an opinion on this financial statement 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined statement of fiduciary net assets referred to above presents fairly, in all material respects, the net assets of the Activity Funds of the Board as of June 30, 2012 in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (Unaudited) on pages 3 and 4 be presented to supplement the basic financial statement. Such information, although not a part of the financial statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis (Unaudited) 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 financial statement, and other knowledge we obtained during our audit of the financial statement. 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.

Our audit was conducted for the purpose of forming an opinion on the combined statement of fiduciary net assets taken as a whole. The combining information listed in the preceding table of contents on pages 9 through 36, is presented for purposes of additional analysis and is not a required part of the combined statement of fiduciary net assets of the Activity Funds of the Board. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. This information has been subjected to the auditing procedures applied in our audit of the financial statement and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined statement of fiduciary net assets taken as a whole.

In accordance with *Government Auditing Standards*, we have issued a report dated November 14, 2012 on our consideration of the Activity Funds' internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Stratman & Company PSC

Louisville, Kentucky
November 14, 2012

Management's Discussion and Analysis (Unaudited)

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

The management team of the Jefferson County Board of Education (the "Board") presents this Management's Discussion and Analysis (Unaudited) of the Elementary School Activity Funds (the "Activity Funds") for the fiscal year ended June 30, 2012. Please read it in conjunction with the Activity Funds' financial statement which is on page 5.

Government Structure

The eighty-nine elementary schools sponsor programs to supplement the activities provided by the Board. These supplemental activities are accounted for in various funds categorized by the particular activity or group involved. The Board prescribes policies for the supervision and administration of the Activity Funds, and generally has custodial responsibility over these funds. Such custodial responsibility is mandated by the Kentucky Department of Education.

Basic Financial Statements

This financial report includes the combined statement of fiduciary net assets and combining statements of fiduciary net assets and cash receipts and disbursements for all eighty-nine elementary schools. The Independent Auditors' Report on this information precedes this Management's Discussion and Analysis (Unaudited).

The Activity Funds of the Board are being presented as agency funds in accordance with Governmental Accounting Standards Board Opinion No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and related standards.

Financial Highlights

Total assets of all Activity Funds amounted to \$1,872,721 at June 30, 2012, compared to \$1,862,795 of total assets in the prior year, which reflects an increase of \$9,926. At June 30, 2012, total assets consist primarily of cash and temporary cash investments totaling \$1,731,861, compared to June 30, 2011 which reflected cash and temporary cash investments of \$1,689,801. This increase in cash and temporary cash investments was due primarily to the excess of cash receipts over cash disbursements of \$45,052 during the fiscal year ended June 30, 2012. Total liabilities of all Activity Funds amounted to \$1,872,721 at June 30, 2012, compared to total liabilities of \$1,862,795 in the prior year.

Elementary schools generate receipts for the Activity Funds primarily from student fees, athletic events admission, fund raising projects, donations, and allocations from the Board. Cash receipts of the Activity Funds amounted to \$6,033,864 during the fiscal year ended June 30, 2012, which reflects a \$364,842 decrease from the prior year's cash receipts of \$6,398,706. Disbursements by the Activity Funds amounted to \$5,988,812 and \$6,280,566 during the fiscal years ended June 30, 2012 and 2011, respectively.

Continued

Management's Discussion and Analysis (Unaudited)--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

Contacting the Jefferson County Board of Education Financial Management

This financial report is designed to provide a general overview of the finances of the Jefferson County Board of Education Elementary School Activity Funds and to show management's accountability for these funds. If you have questions about this report or need additional information, contact the Chief Financial Officer/Treasurer of the Jefferson County Board of Education, P. O. Box 34020, Louisville, Kentucky 40232-3674.

Combined Statement of Fiduciary Net Assets

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

Assets

Cash	\$ 1,715,861
Temporary cash investments	16,000
Accounts receivable	7,451
Inventory	<u>133,409</u>

Total Assets \$ 1,872,721

Liabilities

Accounts payable	\$ 35,484
Due to Jefferson County Board of Education	20
Due to student groups	<u>1,837,217</u>

Total Liabilities \$ 1,872,721

See Notes to Combined Statement of Fiduciary Net Assets

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

Note A--Fund Structure and Summary of Significant Accounting Policies

Fund Structure--The Jefferson County Board of Education (the "Board") Elementary School Activity Funds (the "Activity Funds") provide funding for the programs in eighty-nine elementary schools, special educational and other related facilities for Board sponsored programs and to supplement the activities provided by the Board. The Board prescribes policies for the supervision and administration of the Activity Funds, in accordance with the requirements of the Kentucky Department of Education as set forth in its publication, "A Uniform Program of Accounting for School Activity Funds." Salaries for the treasurers of Activity Funds and other administrative support are paid by the Board and recorded in the Board's General Fund.

Elementary schools generate revenue for the Activity Funds primarily from allocations from the Board, athletic event admissions, fund raising projects and donations.

Basis of Accounting--The combined statement of fiduciary net assets of the Activity Funds has been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The combined statement of fiduciary net assets was prepared in accordance with GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and related standards.

The Activity Funds are fiduciary/agency funds of the Board. For financial purposes, the accounting treatment applied to a fund is determined by its measurement focus. All fiduciary/agency funds are accounted for by using an economic resources measurement focus and the accrual basis of accounting.

Inventory--Inventory, consisting primarily of bookstore supplies and vending machine supplies, is stated at the lower of cost (using the first-in, first-out method) or market.

Use of Estimates--The preparation of the combined statement of fiduciary net assets requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of this financial statement. Actual results could differ from those estimates.

Subsequent Events--In preparing these financial statements, management of the Board has evaluated events and transactions for potential recognition or disclosure through November 14, 2012, the date of financial statement was available to be issued.

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

Note B--Cash and Temporary Cash Investments

The Activity Funds have adopted GASB Statement No. 40, *Deposits and Investment Risk Disclosures*. GASB Statement No. 40 addresses custodial credit risk, interest rate risk, credit risk and concentration of credit risk.

Statutes authorize the Activity Funds to invest in the following:

- (1) Obligations of the United States and of its agencies and instrumentalities, repurchase agreements and specially approved AAA rated corporate bonds;
- (2) Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities;
- (3) Any savings and loan associations insured by an agency of the United States up to the amount insured
- (4) Interest bearing deposits in national and state banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank shall pledge securities having a current quoted market value at least equal to any uninsured deposits.

Temporary cash investments consist of certificates of deposit at various financial institutions located in Jefferson County, Kentucky, with various maturity dates and rates of interest. Such temporary cash investments are stated at cost, which approximates their market value.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Activity Funds' deposits may not be returned to it. All cash deposits and temporary cash investments of the Activity Funds are covered by depositor insurance provided by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor. Any amounts in excess of FDIC coverage are covered by pledged securities at the various financial institutions.

By investing in certificates of deposit, the Activity Funds have minimized their exposure to credit risk. Interest rate risk is minimized by primarily investing in certificates of deposits with maturity dates of one year or less.

Continued

Notes to Combined Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

Note B--Cash and Temporary Cash Investments--Continued

Temporary cash investment activity during the year ended June 30, 2012 is summarized as follows:

	Temporary Cash Investments July 1, 2011	Deposits	Withdrawals	Temporary Cash Investments June 30, 2012
Auburndale Elementary	\$ 5,000			\$ 5,000
Brandeis Elementary	5,000			5,000
Goldsmith Elementary	2,992		\$ 2,992	-
Smyrna Elementary	6,000			6,000
	<u>\$ 18,992</u>	<u>\$</u>	<u>\$ 2,992</u>	<u>\$ 16,000</u>

Note C--Due From/To Jefferson County Board of Education

The amounts due to the Board consist primarily of supplies and services provided by the Board to the elementary schools. These amounts are usually reimbursed to the Board promptly.

Note D--Future Funding

Funding for the Activity Funds is generally dependent upon the fund raising ability of the students, parents and others in the elementary schools, and the success of the other programs. Continuation of the various activities in each elementary school is predicated upon the ability of students, parents and others to raise funds, the students' intent to continue their activities, and upon the Board's continued support of these activities.

Combining Information

Combining Statement of Fiduciary Net Assets

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	<u>Total</u>	<u>Atkinson Elementary School</u>	<u>Auburndale Elementary School</u>	<u>Audubon Traditional Elementary School</u>
Assets				
Cash	\$ 1,715,861	\$ 17,937	\$ 21,294	\$ 4,024
Temporary cash investments	16,000		5,000	
Accounts receivable	7,451		600	439
Inventory	133,409	97	795	3,814
Total Assets	<u>\$ 1,872,721</u>	<u>\$ 18,034</u>	<u>\$ 27,689</u>	<u>\$ 8,277</u>
Liabilities				
Accounts payable	\$ 35,484	\$ 24	\$ 98	\$ 73
Due to Jefferson County Board of Education	20			
Due to students groups	1,837,217	18,010	27,591	8,204
Total Liabilities	<u>\$ 1,872,721</u>	<u>\$ 18,034</u>	<u>\$ 27,689</u>	<u>\$ 8,277</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Bates Elementary School	Blake Elementary School	Bloom Elementary School	Blue Lick Elementary School
Assets				
Cash	\$ 17,362	\$ 22,700	\$ 17,869	\$ 10,382
Temporary cash investments				
Accounts receivable			150	
Inventory	616	854	1,197	174
	<u>616</u>	<u>854</u>	<u>1,197</u>	<u>174</u>
Total Assets	<u>\$ 17,978</u>	<u>\$ 23,554</u>	<u>\$ 19,216</u>	<u>\$ 10,556</u>
Liabilities				
Accounts payable	\$ 409			
Due to Jefferson County Board of Education				
Due to students groups	17,569	\$ 23,554	\$ 19,216	\$ 10,556
	<u>17,569</u>	<u>\$ 23,554</u>	<u>\$ 19,216</u>	<u>\$ 10,556</u>
Total Liabilities	<u>\$ 17,978</u>	<u>\$ 23,554</u>	<u>\$ 19,216</u>	<u>\$ 10,556</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Bowen Elementary School	Brandeis Elementary School	Breckinridge Franklin Elementary School	Byck Elementary School
Assets				
Cash	\$ 7,512	\$ 18,106	\$ 17,097	\$ 16,360
Temporary cash investments		5,000		
Accounts receivable		56	63	40
Inventory	199	1,457	818	432
Total Assets	<u>\$ 7,711</u>	<u>\$ 24,619</u>	<u>\$ 17,978</u>	<u>\$ 16,832</u>
Liabilities				
Accounts payable		\$ 1,280	\$ 86	
Due to Jefferson County Board of Education				
Due to students groups	\$ 7,711	23,339	17,892	\$ 16,832
Total Liabilities	<u>\$ 7,711</u>	<u>\$ 24,619</u>	<u>\$ 17,978</u>	<u>\$ 16,832</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Camp Taylor Elementary School	Cane Run Elementary School	Carter Traditional Elementary School	Malcolm B. Chancey, Jr. Elementary School
Assets				
Cash	\$ 5,071	\$ 21,585	\$ 51,402	\$ 14,350
Temporary cash investments				
Accounts receivable		351		
Inventory	825	2,532	11,567	259
	<u>825</u>	<u>2,532</u>	<u>11,567</u>	<u>259</u>
Total Assets	<u>\$ 5,896</u>	<u>\$ 24,468</u>	<u>\$ 62,969</u>	<u>\$ 14,609</u>
Liabilities				
Accounts payable		\$ 364	\$ 60	\$ 1,547
Due to Jefferson County Board of Education				
Due to students groups	\$ 5,896	24,104	62,909	13,062
	<u>5,896</u>	<u>24,104</u>	<u>62,909</u>	<u>13,062</u>
Total Liabilities	<u>\$ 5,896</u>	<u>\$ 24,468</u>	<u>\$ 62,969</u>	<u>\$ 14,609</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Chenoweth Elementary School	Garvin H. Cochran Elementary School	Garland S. Cochrane Elementary School	Coleridge Taylor Elementary School
Assets				
Cash	\$ 21,285	\$ 28,703	\$ 5,858	\$ 13,212
Temporary cash investments				
Accounts receivable				
Inventory	<u>4,859</u>	<u>73</u>	<u>355</u>	<u>273</u>
Total Assets	<u>\$ 26,144</u>	<u>\$ 28,776</u>	<u>\$ 6,213</u>	<u>\$ 13,485</u>
Liabilities				
Accounts payable	\$ 904		\$ 934	\$ 229
Due to Jefferson County Board of Education				
Due to students groups	<u>25,240</u>	<u>\$ 28,776</u>	<u>5,279</u>	<u>13,256</u>
Total Liabilities	<u>\$ 26,144</u>	<u>\$ 28,776</u>	<u>\$ 6,213</u>	<u>\$ 13,485</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Coral Ridge Elementary School	Crums Lane Elementary School	Dixie Elementary School	Dunn Elementary School
Assets				
Cash	\$ 40,109	\$ 14,872	\$ 922	\$ 43,772
Temporary cash investments				
Accounts receivable				
Inventory	<u>1,858</u>	<u>877</u>	<u>409</u>	<u>3,438</u>
Total Assets	<u>\$ 41,967</u>	<u>\$ 15,749</u>	<u>\$ 1,331</u>	<u>\$ 47,210</u>
Liabilities				
Accounts payable	\$ 727	\$ 73	\$ 8	\$ 47
Due to Jefferson County Board of Education				
Due to students groups	<u>41,240</u>	<u>15,676</u>	<u>1,323</u>	<u>47,163</u>
Total Liabilities	<u>\$ 41,967</u>	<u>\$ 15,749</u>	<u>\$ 1,331</u>	<u>\$ 47,210</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Eisenhower Elementary School	Engelhard Elementary School	Fairdale Elementary School	Farmer Elementary School
Assets				
Cash	\$ 26,796	\$ 30,787	\$ 9,918	\$ 37,548
Temporary cash investments				
Accounts receivable		828	60	
Inventory	2,472	622	535	188
	<u>2,472</u>	<u>622</u>	<u>535</u>	<u>188</u>
Total Assets	<u>\$ 29,268</u>	<u>\$ 32,237</u>	<u>\$ 10,513</u>	<u>\$ 37,736</u>
Liabilities				
Accounts payable	\$ 66	\$ 1,556	\$ 1,216	
Due to Jefferson County Board of Education				
Due to students groups	29,202	30,681	9,297	\$ 37,736
	<u>29,202</u>	<u>30,681</u>	<u>9,297</u>	<u>\$ 37,736</u>
Total Liabilities	<u>\$ 29,268</u>	<u>\$ 32,237</u>	<u>\$ 10,513</u>	<u>\$ 37,736</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Fern Creek Elementary School	Field Elementary School	Foster Academy	Frayser Elementary School
Assets				
Cash	\$ 34,881	\$ 10,280	\$ 18,043	\$ 9,491
Temporary cash investments				
Accounts receivable			351	37
Inventory	82	283	519	746
	<u>82</u>	<u>283</u>	<u>519</u>	<u>746</u>
Total Assets	<u>\$ 34,963</u>	<u>\$ 10,563</u>	<u>\$ 18,913</u>	<u>\$ 10,274</u>
Liabilities				
Accounts payable		\$ 444	\$ 275	
Due to Jefferson County Board of Education				
Due to students groups	\$ 34,963	10,119	18,638	\$ 10,274
	<u>\$ 34,963</u>	<u>10,119</u>	<u>18,638</u>	<u>\$ 10,274</u>
Total Liabilities	<u>\$ 34,963</u>	<u>\$ 10,563</u>	<u>\$ 18,913</u>	<u>\$ 10,274</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Gilmore Lane Elementary School	Goldsmith Elementary School	Greathouse Shryrock Traditional Elementary School	Greenwood Elementary School
Assets				
Cash	\$ 6,119	\$ 12,634	\$ 27,957	\$ 39,648
Temporary cash investments				
Accounts receivable	750			
Inventory	<u>752</u>	<u>897</u>	<u>12,525</u>	<u>1,707</u>
Total Assets	<u>\$ 7,621</u>	<u>\$ 13,531</u>	<u>\$ 40,482</u>	<u>\$ 41,355</u>
Liabilities				
Accounts payable	\$ 38	\$ 45	\$ 1,808	
Due to Jefferson County Board of Education				
Due to students groups	<u>7,583</u>	<u>13,486</u>	<u>38,674</u>	<u>\$ 41,355</u>
Total Liabilities	<u>\$ 7,621</u>	<u>\$ 13,531</u>	<u>\$ 40,482</u>	<u>\$ 41,355</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Gutermuth Elementary School	Hartstern Elementary School	Hawthorne Elementary School	Hazelwood Elementary School
Assets				
Cash	\$ 12,913	\$ 10,537	\$ 36,878	\$ 3,135
Temporary cash investments				
Accounts receivable				
Inventory	<u>222</u>	<u>1,513</u>	<u>8</u>	<u>193</u>
Total Assets	<u>\$ 13,135</u>	<u>\$ 12,050</u>	<u>\$ 36,886</u>	<u>\$ 3,328</u>
Liabilities				
Accounts payable	\$ 457	\$ 94	\$ 90	
Due to Jefferson County Board of Education				
Due to students groups	<u>12,678</u>	<u>11,956</u>	<u>36,796</u>	<u>\$ 3,328</u>
Total Liabilities	<u>\$ 13,135</u>	<u>\$ 12,050</u>	<u>\$ 36,886</u>	<u>\$ 3,328</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Hite Elementary School	Indian Trail Elementary School	Jacob Elementary School	Jeffersontown Elementary School
Assets				
Cash	\$ 29,433	\$ 26,140	\$ 26,019	\$ 21,738
Temporary cash investments				
Accounts receivable				
Inventory	<u>217</u>	<u>25</u>	<u>653</u>	<u>3,576</u>
Total Assets	<u>\$ 29,650</u>	<u>\$ 26,165</u>	<u>\$ 26,672</u>	<u>\$ 25,314</u>
Liabilities				
Accounts payable	\$ 1,124	\$ 386	\$ 298	\$ 3
Due to Jefferson County Board of Education				
Due to students groups	<u>28,526</u>	<u>25,779</u>	<u>26,374</u>	<u>25,311</u>
Total Liabilities	<u>\$ 29,650</u>	<u>\$ 26,165</u>	<u>\$ 26,672</u>	<u>\$ 25,314</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Johnsontown Road Elementary School	John F. Kennedy Montessori Elementary School	Kenwood Elementary School	Kerrick Elementary School
Assets				
Cash	\$ 6,973	\$ 20,784	\$ 23,187	\$ 13,265
Temporary cash investments				
Accounts receivable				250
Inventory	1,273	101	135	1,056
	<u>1,273</u>	<u>101</u>	<u>135</u>	<u>1,056</u>
Total Assets	<u>\$ 8,246</u>	<u>\$ 20,885</u>	<u>\$ 23,322</u>	<u>\$ 14,571</u>
Liabilities				
Accounts payable	\$ 119		\$ 16	\$ 27
Due to Jefferson County Board of Education				
Due to students groups	8,127	\$ 20,885	23,306	14,544
	<u>8,127</u>	<u>\$ 20,885</u>	<u>23,306</u>	<u>14,544</u>
Total Liabilities	<u>\$ 8,246</u>	<u>\$ 20,885</u>	<u>\$ 23,322</u>	<u>\$ 14,571</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	King Elementary School	Klondike Lane Elementary School	Laukhuf Elementary School	Layne Elementary School
Assets				
Cash	\$ 11,962	\$ 26,467	\$ 45,920	\$ 9,267
Temporary cash investments				
Accounts receivable	351	98		
Inventory	236	1,376	1,600	512
	<u>236</u>	<u>1,376</u>	<u>1,600</u>	<u>512</u>
Total Assets	<u>\$ 12,549</u>	<u>\$ 27,941</u>	<u>\$ 47,520</u>	<u>\$ 9,779</u>
Liabilities				
Accounts payable		\$ 164	\$ 82	\$ 356
Due to Jefferson County Board of Education				
Due to students groups	\$ 12,549	27,777	47,438	9,423
	<u>\$ 12,549</u>	<u>27,777</u>	<u>47,438</u>	<u>9,423</u>
Total Liabilities	<u>\$ 12,549</u>	<u>\$ 27,941</u>	<u>\$ 47,520</u>	<u>\$ 9,779</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	<u>Lincoln Elementary School</u>	<u>Lowe Elementary School</u>	<u>Luhr Elementary School</u>	<u>Maupin Elementary School</u>
Assets				
Cash	\$ 22,268	\$ 18,899	\$ 22,689	\$ 6,306
Temporary cash investments				
Accounts receivable				
Inventory	<u>1,595</u>	<u>661</u>	<u>732</u>	<u>5,611</u>
Total Assets	<u><u>\$ 23,863</u></u>	<u><u>\$ 19,560</u></u>	<u><u>\$ 23,421</u></u>	<u><u>\$ 11,917</u></u>
Liabilities				
Accounts payable		\$ 628		
Due to Jefferson County Board of Education				
Due to students groups	<u>\$ 23,863</u>	<u>18,932</u>	<u>\$ 23,421</u>	<u>\$ 11,917</u>
Total Liabilities	<u><u>\$ 23,863</u></u>	<u><u>\$ 19,560</u></u>	<u><u>\$ 23,421</u></u>	<u><u>\$ 11,917</u></u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	John B. McFerran Preparatory Academy	Medora Elementary School	Middletown Elementary School	Mill Creek Elementary School
Assets				
Cash	\$ 29,371	\$ 9,172	\$ 26,797	\$ 3,310
Temporary cash investments				
Accounts receivable	30			
Inventory	6,485	768	450	1,246
	<u>6,485</u>	<u>768</u>	<u>450</u>	<u>1,246</u>
Total Assets	<u>\$ 35,886</u>	<u>\$ 9,940</u>	<u>\$ 27,247</u>	<u>\$ 4,556</u>
Liabilities				
Accounts payable		\$ 36		
Due to Jefferson County Board of Education			\$	
Due to students groups	\$ 35,886	9,904	\$ 27,247	\$ 4,556
	<u>\$ 35,886</u>	<u>9,904</u>	<u>\$ 27,247</u>	<u>\$ 4,556</u>
Total Liabilities	<u>\$ 35,886</u>	<u>\$ 9,940</u>	<u>\$ 27,247</u>	<u>\$ 4,556</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Minors Lane Elementary School	Norton Elementary School	Okolona Elementary School	Portland Elementary School
Assets				
Cash	\$ 6,072	\$ 64,958	\$ 16,333	\$ 12,223
Temporary cash investments				
Accounts receivable		204		239
Inventory	159	1,311	2,612	419
	<u>159</u>	<u>1,311</u>	<u>2,612</u>	<u>419</u>
Total Assets	<u>\$ 6,231</u>	<u>\$ 66,473</u>	<u>\$ 18,945</u>	<u>\$ 12,881</u>
Liabilities				
Accounts payable		\$ 255	\$ 183	\$ 53
Due to Jefferson County Board of Education	\$ 20			
Due to students groups	6,211	66,218	18,762	12,828
	<u>6,211</u>	<u>66,218</u>	<u>18,762</u>	<u>12,828</u>
Total Liabilities	<u>\$ 6,231</u>	<u>\$ 66,473</u>	<u>\$ 18,945</u>	<u>\$ 12,881</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	<u>Price Elementary School</u>	<u>Rangeland Elementary School</u>	<u>Roosevelt Perry Elementary School</u>	<u>Rutherford Elementary School</u>
Assets				
Cash	\$ 12,302	\$ 12,506	\$ 12,809	\$ 21,351
Temporary cash investments				
Accounts receivable	280		215	1,564
Inventory	<u>213</u>	<u>662</u>	<u>146</u>	<u>573</u>
Total Assets	<u><u>\$ 12,795</u></u>	<u><u>\$ 13,168</u></u>	<u><u>\$ 13,170</u></u>	<u><u>\$ 23,488</u></u>
Liabilities				
Accounts payable			\$ 604	\$ 974
Due to Jefferson County Board of Education				
Due to students groups	<u>\$ 12,795</u>	<u>\$ 13,168</u>	<u>12,566</u>	<u>22,514</u>
Total Liabilities	<u><u>\$ 12,795</u></u>	<u><u>\$ 13,168</u></u>	<u><u>\$ 13,170</u></u>	<u><u>\$ 23,488</u></u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	<u>St. Matthews Elementary School</u>	<u>Sanders Elementary School</u>	<u>Schaffner Traditional Elementary School</u>	<u>Seiple Elementary School</u>
Assets				
Cash	\$ 9,352	\$ 19,490	\$ 17,213	\$ 7,631
Temporary cash investments				
Accounts receivable				
Inventory	<u>859</u>	<u>297</u>	<u>1,022</u>	<u>200</u>
Total Assets	<u><u>\$ 10,211</u></u>	<u><u>\$ 19,787</u></u>	<u><u>\$ 18,235</u></u>	<u><u>\$ 7,831</u></u>
Liabilities				
Accounts payable		\$ 423	\$ 478	\$ 225
Due to Jefferson County Board of Education				
Due to students groups	<u>\$ 10,211</u>	<u>19,364</u>	<u>17,757</u>	<u>7,606</u>
Total Liabilities	<u><u>\$ 10,211</u></u>	<u><u>\$ 19,787</u></u>	<u><u>\$ 18,235</u></u>	<u><u>\$ 7,831</u></u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Shacklette Elementary School	Shelby Elementary School	Slaughter Elementary School	Smyrna Elementary School
Assets				
Cash	\$ 20,701	\$ 21,685	\$ 976	\$ 33,496
Temporary cash investments				6,000
Accounts receivable	352			41
Inventory	132	1,068	419	5,907
	<u>132</u>	<u>1,068</u>	<u>419</u>	<u>5,907</u>
Total Assets	<u>\$ 21,185</u>	<u>\$ 22,753</u>	<u>\$ 1,395</u>	<u>\$ 45,444</u>
Liabilities				
Accounts payable	\$ 188	\$ 724	\$ 75	\$ 2,101
Due to Jefferson County Board of Education				
Due to students groups	20,997	22,029	1,320	43,343
	<u>20,997</u>	<u>22,029</u>	<u>1,320</u>	<u>43,343</u>
Total Liabilities	<u>\$ 21,185</u>	<u>\$ 22,753</u>	<u>\$ 1,395</u>	<u>\$ 45,444</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Stonestreet Elementary School	Stopher Elementary School	Trunnell Elementary School	Tully Elementary School
Assets				
Cash	\$ 6,787	\$ 34,781	\$ 7,420	\$ 11,277
Temporary cash investments				
Accounts receivable	20			
Inventory	35	1,078	4,510	5,866
	<u>35</u>	<u>1,078</u>	<u>4,510</u>	<u>5,866</u>
Total Assets	<u>\$ 6,842</u>	<u>\$ 35,859</u>	<u>\$ 11,930</u>	<u>\$ 17,143</u>
Liabilities				
Accounts payable		\$ 4,849		\$ 3,082
Due to Jefferson County Board of Education				
Due to students groups	\$ 6,842	31,010	\$ 11,930	14,061
	<u>6,842</u>	<u>31,010</u>	<u>11,930</u>	<u>14,061</u>
Total Liabilities	<u>\$ 6,842</u>	<u>\$ 35,859</u>	<u>\$ 11,930</u>	<u>\$ 17,143</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Watson Lane Elementary School	Watterson Elementary School	Wellington Elementary School	Wheatley Elementary School
Assets				
Cash	\$ 25,997	\$ 14,217	\$ 13,401	\$ 9,982
Temporary cash investments				
Accounts receivable		40		
Inventory	3,207	557	419	639
	<u>3,207</u>	<u>557</u>	<u>419</u>	<u>639</u>
Total Assets	<u>\$ 29,204</u>	<u>\$ 14,814</u>	<u>\$ 13,820</u>	<u>\$ 10,621</u>
Liabilities				
Accounts payable	\$ 2,124		\$ 152	\$ 523
Due to Jefferson County Board of Education				
Due to students groups	27,080	\$ 14,814	13,668	10,098
	<u>27,080</u>	<u>\$ 14,814</u>	<u>13,668</u>	<u>10,098</u>
Total Liabilities	<u>\$ 29,204</u>	<u>\$ 14,814</u>	<u>\$ 13,820</u>	<u>\$ 10,621</u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	<u>Wheeler Elementary School</u>	<u>Wilder Elementary School</u>	<u>Wilkerson Elementary School</u>	<u>Wilt Elementary School</u>
Assets				
Cash	\$ 32,946	\$ 20,917	\$ 37,365	\$ 19,288
Temporary cash investments				
Accounts receivable			22	
Inventory	<u>701</u>	<u>11</u>	<u>1,782</u>	<u>4,341</u>
Total Assets	<u><u>\$ 33,647</u></u>	<u><u>\$ 20,928</u></u>	<u><u>\$ 39,169</u></u>	<u><u>\$ 23,629</u></u>
Liabilities				
Accounts payable	\$ 49		\$ 404	
Due to Jefferson County Board of Education				
Due to students groups	<u>33,598</u>	<u>\$ 20,928</u>	<u>38,765</u>	<u>\$ 23,629</u>
Total Liabilities	<u><u>\$ 33,647</u></u>	<u><u>\$ 20,928</u></u>	<u><u>\$ 39,169</u></u>	<u><u>\$ 23,629</u></u>

Continued

Combining Statement of Fiduciary Net Assets--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

June 30, 2012

	Whitney M. Young Elementary School	Zachary Taylor Elementary School
	<u> </u>	<u> </u>
Assets		
Cash	\$ 14,626	\$ 18,443
Temporary cash investments		
Accounts receivable		20
Inventory	<u>3,490</u>	<u>1,424</u>
Total Assets	<u><u>\$ 18,116</u></u>	<u><u>\$ 19,887</u></u>
Liabilities		
Accounts payable	\$ 1,827	
Due to Jefferson County Board of Education		
Due to students groups	<u>16,289</u>	<u>\$ 19,887</u>
Total Liabilities	<u><u>\$ 18,116</u></u>	<u><u>\$ 19,887</u></u>

See Independent Auditors' Report

Combining Statement of Cash Receipts and Disbursements

**Jefferson County Board of Education
Elementary School Activity Funds**

Year Ended June 30, 2012

<u>Name of School</u>	<u>Cash Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance June 30, 2012</u>
Atkinson Elementary School	\$ 16,615	\$ 16,018	\$ 14,696	\$ 17,937
Auburndale Elementary School	18,357	37,595	34,658	21,294
Audubon Traditional Elementary School	8,348	112,587	116,911	4,024
Bates Elementary School	7,542	64,092	54,272	17,362
Blake Elementary School	18,168	29,617	25,085	22,700
Bloom Elementary School	24,000	50,492	56,623	17,869
Blue Lick Elementary School	6,303	48,351	44,272	10,382
Bowen Elementary School	1,454	90,136	84,078	7,512
Brandeis Elementary School	21,941	209,166	213,001	18,106
Breckinridge Franklin Elementary School	8,996	34,656	26,555	17,097
Byck Elementary School	18,862	38,382	40,884	16,360
Camp Taylor Elementary School	6,035	19,687	20,651	5,071
Cane Run Elementary School	19,086	42,669	40,170	21,585
Carter Traditional Elementary School	33,176	163,555	145,329	51,402
Malcolm B. Chancey, Jr. Elementary School	11,506	72,716	69,872	14,350
Chenoweth Elementary School	24,073	92,690	95,478	21,285
Garvin H. Cochran Elementary School	25,358	69,976	66,631	28,703
Garland S. Cochrane Elementary School	8,400	26,884	29,426	5,858
Coleridge Taylor Elementary School	25,220	260,936	272,944	13,212
Coral Ridge Elementary School	36,554	43,707	40,152	40,109

Continued

Combining Statement of Cash Receipts and Disbursements--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

Year Ended June 30, 2012

<u>Name of School</u>	<u>Cash Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance June 30, 2012</u>
Crums Lane Elementary School	9,940	29,181	24,249	14,872
Dixie Elementary School	1,519	43,936	44,533	922
Dunn Elementary School	55,536	121,073	132,837	43,772
Eisenhower Elementary School	19,886	135,642	128,732	26,796
Engelhard Elementary School	34,547	30,017	33,777	30,787
Fairdale Elementary School	3,225	40,742	34,049	9,918
Farmer Elementary School	33,120	192,682	188,254	37,548
Fern Creek Elementary School	27,091	58,184	50,394	34,881
Field Elementary School	12,441	56,080	58,241	10,280
Foster Academy	16,313	57,524	55,794	18,043
Frayser Elementary School	6,872	20,612	17,993	9,491
Gilmore Lane Elementary School	3,887	20,556	18,324	6,119
Goldsmith Elementary School	14,980	38,588	40,934	12,634
Greathouse Shryrock Traditional Elementary School	38,397	134,326	144,766	27,957
Greenwood Elementary School	45,894	49,300	55,546	39,648
Gutermuth Elementary School	15,425	32,904	35,416	12,913
Hartstern Elementary School	3,156	36,031	28,650	10,537
Hawthorne Elementary School	46,972	29,266	39,360	36,878
Hazelwood Elementary School	1,330	17,515	15,710	3,135
Hite Elementary School	25,274	151,679	147,520	29,433

Continued

Combining Statement of Cash Receipts and Disbursements--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

Year Ended June 30, 2012

<u>Name of School</u>	<u>Cash Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance June 30, 2012</u>
Indian Trail Elementary School	23,341	43,623	40,824	26,140
Jacob Elementary School	26,153	42,741	42,875	26,019
Jeffersontown Elementary School	12,171	118,299	108,732	21,738
Johnsontown Road Elementary School	3,954	50,398	47,379	6,973
John F. Kennedy Montessori Elementary School	19,670	242,991	241,877	20,784
Kenwood Elementary School	23,738	58,433	58,984	23,187
Kerrick Elementary School	12,031	30,936	29,702	13,265
King Elementary School	5,716	42,543	36,297	11,962
Klondike Lane Elementary School	28,456	54,211	56,200	26,467
Laukhuf Elementary School	36,161	77,799	68,040	45,920
Layne Elementary School	9,675	35,004	35,412	9,267
Lincoln Elementary School	26,711	34,684	39,127	22,268
Lowe Elementary School	8,494	74,392	63,987	18,899
Luhr Elementary School	26,710	55,381	59,402	22,689
Maupin Elementary School	13,328	27,343	34,365	6,306
John B. McFerran Preparatory Academy	33,534	92,125	96,288	29,371
Medora Elementary School	10,931	70,587	72,346	9,172
Middletown Elementary School	12,222	70,099	55,524	26,797
Mill Creek Elementary School	4,867	26,606	28,163	3,310
Minors Lane Elementary School	3,229	20,307	17,464	6,072

Continued

Combining Statement of Cash Receipts and Disbursements--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

Year Ended June 30, 2012

<u>Name of School</u>	<u>Cash Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance June 30, 2012</u>
Norton Elementary School	61,723	235,919	232,684	64,958
Okolona Elementary School	24,978	30,951	39,596	16,333
Portland Elementary School	12,281	26,950	27,008	12,223
Price Elementary School	14,772	34,545	37,015	12,302
Rangeland Elementary School	10,997	30,767	29,258	12,506
Roosevelt Perry Elementary School	17,102	19,567	23,860	12,809
Rutherford Elementary School	12,662	68,208	59,519	21,351
St. Matthews Elementary School	7,375	100,351	98,374	9,352
Sanders Elementary School	17,321	64,477	62,308	19,490
Schaffner Traditional Elementary School	15,763	58,111	56,661	17,213
Semple Elementary School	11,289	25,517	29,175	7,631
Shacklette Elementary School	18,075	29,828	27,202	20,701
Shelby Elementary School	20,356	47,167	45,838	21,685
Slaughter Elementary School	2,059	26,161	27,244	976
Smyrna Elementary School	28,714	56,083	51,301	33,496
Stonestreet Elementary School	5,450	42,778	41,441	6,787
Stopher Elementary School	87,501	308,277	360,997	34,781
Trunnell Elementary School	9,330	27,640	29,550	7,420
Tully Elementary School	10,123	198,322	197,168	11,277
Watson Lane Elementary School	27,925	43,310	45,238	25,997

Continued

Combining Statement of Cash Receipts and Disbursements--Continued

**Jefferson County Board of Education
Elementary School Activity Funds**

Year Ended June 30, 2012

<u>Name of School</u>	<u>Cash Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance June 30, 2012</u>
Watterson Elementary School	9,566	59,576	54,925	14,217
Wellington Elementary School	9,653	28,021	24,273	13,401
Wheatley Elementary School	8,575	28,375	26,968	9,982
Wheeler Elementary School	30,008	58,917	55,979	32,946
Wilder Elementary School	19,880	129,809	128,772	20,917
Wilkerson Elementary School	27,486	74,417	64,538	37,365
Wilt Elementary School	20,533	37,335	38,580	19,288
Whitney M. Young Elementary School	13,064	21,225	19,663	14,626
Zachary Taylor Elementary School	19,357	33,008	33,922	18,443
Total	<u>\$ 1,670,809</u>	<u>\$ 6,033,864</u>	<u>\$ 5,988,812</u>	<u>\$ 1,715,861</u>

See Independent Auditors' Report

Report Required by *Government Auditing Standards*

**Independent Auditors' 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***

**Independent Auditors' 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***



Members of the Board
Jefferson County Board of Education
Louisville, Kentucky

We have audited the combined statement of fiduciary net assets of the Elementary School Activity Funds (the "Activity Funds") of the Jefferson County Board of Education (the "Board") as of June 30, 2012, and have issued our report thereon dated November 14, 2012. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Activity Funds' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined statement of fiduciary net assets, but not for the purpose of expressing an opinion on the effectiveness of the Activity Funds' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Activity Funds' internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Activity Funds' combined statement of fiduciary net assets will not be prevented or detected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Activity Funds' combined statement of fiduciary net assets is free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of the Board in a separate letter dated November 14, 2012.

This report is intended for the information and use of the members of the Board, management and the Kentucky Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Stettin & Company PSC". The signature is written in a cursive, flowing style.

Louisville, Kentucky
November 14, 2012