

Madison County School District

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Independent Auditors' Report
And Financial Statements
For the Year Ended
June 30, 2012

Madison County School District
Table of Contents
Year Ended June 30, 2012

	<u>Page</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11-12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14-15
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17-18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Fund	21
Statement of Net Assets - Proprietary Fund	22
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Fund	23
Statement of Cash Flows - Proprietary Fund	24
Statement of Fiduciary Net Assets - Fiduciary Funds	25
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	26
Notes to the Basic Financial Statements	27-41

Madison County School District
Table of Contents (Continued)
Year Ended June 30, 2012

Supplementary Information

Combining Statements - Nonmajor Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	43
Combining Statement of Fiduciary Net Assets - Fiduciary Funds	44-46
Combining Statement of Fiduciary Net Assets - Fiduciary Funds	47-49
Activity Fund Statements - All Schools	50-101
Schedule of Expenditures of Federal Awards	102-103
Notes to the Schedule of Expenditures of Federal Awards	104
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 <u>Government Auditing Standards</u>	105-106
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct And Material Effect on Each Major Program And on Internal Control Over Compliance in Accordance with OMB Circular A-133	107-108
Schedule of Findings and Questioned Costs	109-110
Schedule of Prior Year Audit Findings	111
Corrective Action Plan	112
Management Letter Comments	113

Independent Auditors' Report

To the Board Members
Madison County School District
550 South Keeneland Drive
Richmond, KY 40475

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 Madison County School District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Madison County School District's management. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the audit requirements prescribed by the Kentucky State Committee for School Districts Audits in Appendix I of the Independent Auditor's Contract – State Audit Requirements, Appendix II of the Independent Auditor's Contract – State Audit Requirements, and Appendix III of the Independent Auditor's Contract – Electronic Submission. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 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 Madison County School District, as of June 30, 2012, the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the general fund and the special revenue fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2012, on our consideration of the Madison 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Madison County School District's financial statements as a whole. The combining and individual nonmajor fund financial statements and school activity funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, school activity funds and the schedule of expenditures 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 financial statements. The 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 financial statements or to the 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, school activity funds and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Baldwin CPAs PLLC

Baldwin CPAs, PLLC
October 3, 2012

Madison County School District
Management's Discussion and Analysis (MD&A)
June 30, 2012

As management of the Madison County School District (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, 2012. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The beginning cash balance for the District was \$33.55 million, including \$15.97 million in construction projects.
- The district constructs and renovates facilities with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations.
- In fiscal 2012, the Madison Southern High School Phase II & Clark Moores Middle Schools HVAC construction projects were completed.
- Farristown Middle School opened in December 2011. As of June 30, 2012 the project was 96% complete with some athletic field work remaining.
- Four construction projects were initiated in fiscal 2012. No bonds were issued for the projects.
- As of June 30, 2012 the Madison Central High School Phase III project was 45% complete and the Madison Central High School Batting Facility project was 61% complete. Additionally, the Foley Gym Roof project was 55% complete and the Madison Central High School Gym Roof project was 44% complete. All projects will be completed in the 2012-13 school year.
- The General Fund had \$64.56 million in receipts, net of on-behalf payments from the state and interfund transfers. These receipts primarily consisted of the state program (SEEK), property, utility, and motor vehicle taxes. The beginning balance included \$1.53 million encumbered from fiscal 2011 and \$1.05 million from prior years' commitments. Excluding interfund transfers and net of on-behalf payments, there were \$66.21 million in General Fund expenditures.
- The district received \$2.2 million in Edu Jobs funding, which is reflected as a grant project.
- The district committed \$1 million of 2011-2012 General Fund money that was made available by utilizing Capital Outlay for General Fund maintenance costs. These committed funds will be available for future capital needs.
- General Fund dollars were required to supplement transportation expenses unfunded by the state.

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 are comprised of 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.

Madison County School District
Management's Discussion and Analysis (MD&A) (Continued)
June 30, 2012

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

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets 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 are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found in the table of contents 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 in the table of contents 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 in the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of Madison County Schools, assets exceeded liabilities by \$76.18 million for Governmental Activities, and \$2.73 million for Business Type Activities as of June 30, 2012.

The largest portion of the District's net assets 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 is 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.

Madison County School District
Management's Discussion and Analysis (MD&A) (Continued)
June 30, 2012

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, and the depreciation of capital assets.

Table 1
Net Assets
(in Millions)

	Governmental Activities		Business-type Activities		Totals	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Current assets	38.73	24.40	1.25	1.10	39.98	25.50
Non-current assets	155.53	164.49	1.49	1.66	157.02	166.15
Total assets	<u>194.26</u>	<u>188.89</u>	<u>2.74</u>	<u>2.76</u>	<u>197.00</u>	<u>191.65</u>
Current liabilities	12.46	9.97	0.05	0.03	12.51	10.00
Non-current liabilities	107.44	102.74	-	-	107.44	102.74
Total liabilities	<u>119.90</u>	<u>112.71</u>	<u>0.05</u>	<u>0.03</u>	<u>119.95</u>	<u>112.74</u>
Net assets:						
Invested in capital assets, net of related debt	40.52	57.38	1.49	1.66	42.01	59.04
Restricted	26.78	14.87	0.15	0.12	26.93	14.99
Unrestricted	7.06	3.93	1.05	0.95	8.11	4.88
Total net Assets	<u><u>74.36</u></u>	<u><u>76.18</u></u>	<u><u>2.69</u></u>	<u><u>2.73</u></u>	<u><u>77.05</u></u>	<u><u>78.91</u></u>

GOVERNMENTAL ACTIVITIES

For fiscal 2012, the district had an increase in net assets of \$1.86 million. This is largely due to the increase in capital assets. During fiscal 2012, restrictions for capital projects decreased as a result of completed projects that were re-classified as capital assets.

Madison County School District
Management's Discussion and Analysis (MD&A) (Continued)
June 30, 2012

Table 2
Statement of Activities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Revenue				
Charges for services	\$ -	\$ -	\$ 1,816,434	\$ 1,775,989
Operating grants and contributions	53,739,352	53,167,914	2,952,115	3,098,644
Capital grants and contributions	3,854,119	4,496,215	-	-
General revenues	45,380,118	46,197,661	632,024	819,764
Total revenue	<u>102,973,589</u>	<u>103,861,790</u>	<u>5,400,573</u>	<u>5,694,397</u>
Expenses				
Instruction	57,252,688	58,087,412	-	-
Student support services	4,947,053	5,572,729	-	-
Instructional staff support	4,506,653	5,715,506	-	-
District administration	1,361,996	1,368,418	-	-
School administration	3,434,032	3,995,619	-	-
Business	1,153,500	1,334,317	-	-
Plant operation & maintenance	7,292,672	7,990,762	-	-
Student transportation	6,162,775	6,753,473	-	-
Non-instructional	846,092	860,381	-	-
Building improvement	1,981,668	563,850	-	-
Unallocated depreciation & amortization	5,484,244	5,443,890	-	-
Interest on long-term debt	4,299,978	4,338,206	-	-
Loss on disposal of general assets	-	19,527	-	-
Food service operations	-	-	5,453,894	5,654,139
Total expenses	<u>98,723,351</u>	<u>102,044,090</u>	<u>5,453,894</u>	<u>5,654,139</u>
Change in net assets	4,250,238	1,817,700	(53,321)	40,258
Net assets, beginning	<u>70,110,642</u>	<u>74,360,880</u>	<u>2,743,684</u>	<u>2,690,363</u>
Net assets, ending	<u>\$ 74,360,880</u>	<u>\$ 76,178,580</u>	<u>\$ 2,690,363</u>	<u>\$ 2,730,621</u>

Madison County School District
Management's Discussion and Analysis (MD&A) (Continued)
June 30, 2012

BUSINESS-TYPE ACTIVITIES

Food service federal and state grants increased over the prior year. Capital assets, net of depreciation, increased from the previous year contributing to a \$40,258 increase in net assets.

CAPITAL ASSETS

At the end of fiscal 2012, the District had \$166.14 million invested in capital assets, including land, buildings, buses, computers and other equipment. This amount represents a net increase (including additions and deductions) of \$9.13 million, or 5.8%, over last year. This increase is primarily due to the completion and construction in progress on the Farristown Middle School, MSHS Phase II, Clark Moores Middle School HVAC and Madison Central High School Phase III projects

Table 3
Capital Assets at Year-End
(Net of Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Totals	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Land	\$ 4.40	\$ 4.30	\$ -	\$ -	\$ 4.40	\$ 4.30
Buildings & Improvements	127.80	148.27	-	-	127.80	148.27
Technology Equipment	2.38	2.67	0.01	0.01	2.39	2.68
Vehicles	4.01	4.50	-	-	4.01	4.50
General Equipment	2.21	2.29	1.48	1.65	3.69	3.94
Construction in Progress	14.73	2.45	-	-	14.73	2.45
Totals	\$ 155.53	\$ 164.48	\$ 1.49	\$ 1.66	\$ 157.02	\$ 166.14

Madison County School District
 Management's Discussion and Analysis (MD&A) (Continued)
 June 30, 2012

DEBT

No bonds were issued in fiscal 2012

Table 4
 Outstanding Debt at Year-End
 (in Millions)

	Government Activities	
	2011	2012
General Obligation Bonds	\$ 115.01	\$ 109.75
Total Obligations	\$ 115.01	\$ 109.75

COMMENTS ON BUDGET COMPARISONS

- Actual General Fund revenues exceeded the budget by \$14.8 million. This sizeable variance is due to the inclusion of \$14.6 million of on-behalf payments made by the state for insurances, teachers' retirement, etc. for the benefit of the district and its employees. Excluding on-behalf payments, General Fund budget compared to actual revenue varied somewhat in most line items with the ending actual balance being \$122,990 more than budget or approximately 0.2 percent higher than the final budget. The line item that varied most significantly was Utility Taxes. Due to a mild winter, utility costs in the area declined resulting in a lower than anticipated revenue from utility taxes.

- Actual General Fund expenditures exceeded the budget by \$7.83 million. This includes the state's expenditures for on-behalf payments, as mentioned above. Excluding on-behalf payments of \$14.6 million, expenditures were \$6,765,786 less than the budget. This is the result of various factors, including a contingency of \$5.4 million which was intended to remain unspent and carryover to the new year as the beginning balance. Additionally, a Title I set aside in General Fund was unspent and site-based carryover was approximately \$242,000. It is important to note that without the use of nearly \$1 million of Capital Outlay funds to offset General Fund expenses this would not have been possible. General Fund budgeted expenditures compared to actual varied significantly in District Administrative Support. Workers compensation, unemployment and dental reimbursements are budgeted in District Administrative Support; however, expenditures are made from the same function as the related salaries. Consequently, throughout the financial report, employee benefits exceed the budget in each function (net of on-behalf) except District Administrative Support.

Madison County School District
Management's Discussion and Analysis (MD&A) (Continued)
June 30, 2012

The following table presents a summary of revenue and expenditures for the fiscal year ended June 30, 2012, for selected funds.

Table 5
Revenues & Expenditures
(in Millions)

	General Fund	Special Revenue	FSP-K and Construction	Other Governmental Funds
Revenues:				
Local Sources	\$ 24.61	\$ 0.11	\$ 6.88	\$ -
State Sources	54.19	3.58	2.47	1.66
Federal Sources	0.36	9.64	-	0.37
Total Revenues	79.16	13.33	9.35	2.03
Expenses:				
Instruction	49.44	9.84	-	-
Student Support	4.94	0.64	-	-
Instructional Support	4.30	1.41	-	-
District Administration	1.31	-	0.09	-
School Administration	4.05	0.09	-	-
Business Support	1.32	0.02	-	-
Plant Operations	8.09	0.01	-	-
Student Transportation	7.35	0.67	-	-
Community Support	-	0.84	-	-
Facilities Acquisition & Construction	-	-	-	-
Debt Service	-	-	-	9.73
Total Expenses	80.80	13.52	0.09	9.73
Revenue Over (Under) Expenses	\$ (1.64)	\$ (0.19)	\$ 9.26	\$ (7.70)

THE DISTRICT'S FUNDS

As the District completed the year, its General Fund reflected a fund balance of \$11.98 million, which is less than last year's fund balance of \$12.96 million. This reduction is due to the prior year's balance including \$1.53 million in encumbrances, \$0.5 for salaries and \$0.15 for technology purchases, all of which was obligated in FY2011 for expenditure in FY2012. It is important to note that a portion of the fiscal 2012 balance is reserved for prior year encumbrances (\$0.36 million), site-based councils (\$0.24 million) and sick leave payable (\$0.39 million) along with \$0.475 million that was committed in FY11 for 2012-2013 salaries. In FY2008, we were able to reserve \$950,000 for the opening of B. Michael Caudill Middle School in FY2010. Those funds were not required for that purpose and remain reserved for future capital projects. In FY2009, FY2010, and FY2011 we reserved \$958,519, \$950,000 and \$975,000 for future capital projects, which continue to be reserved. In FY2012, we reserved \$1,000,000 for future capital projects. Unreserved Fund Balance remained constant at \$5.67 million. This was due to a combination of factors including increased revenues and utilization of HB 4, permitting certain plant operating and maintenance expenses to be assumed by the Capital Outlay Fund; and a portion of General Fund salaries being paid from federal Education Jobs funds.

FUTURE BUDGETARY IMPLICATIONS

In Kentucky, the public schools' fiscal year is July 1 – June 30; other programs, i.e. some federal programs, 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. The District adopted a tentative budget for 2012-2013 with a 6.1% contingency. It is important to note that the tentative budget was based on the assumption that the state SEEK base for 2012-2013 would be \$3,833 per pupil. This rate comes after four years of a flat base and reductions due to budget shortfalls. The SEEK base was \$3,866 in both 2008-2009 and 2009-2010, increased \$2 to \$3,868 for 2010-2011 and increased \$35 to \$3,903 in 2011-2012. However, in fiscal years 2011 and 2012, we experienced mid-year cuts due to the state's inability to fund their SEEK obligation.

Issues which will impact future budgets include:

- State budgetary shortfalls which could result in the inability to fully fund SEEK
- The loss of Education Jobs funding in 2012-2013
- The threat of federal sequestration, declining federal funds and federal funding not maintaining the pace of mandated pay increases
- Improving programming and meeting the requirements for special education
- Insufficient funding of the state transportation formula
- Reduced funding of the state flexible focus grants without a reduction in the requirements for providing the services, as well as unfunded mandates
- The cumulative effect of the historic loss of local funding due to the 4% cap on increases in property tax revenue imposed by House Bill 44
- The cumulative effect of taking less than the permitted 4% increase for fiscal 2013
- Reductions in special education student counts
- Increasing retirement costs to be borne by districts will be significant

In order to meet the demands of a growing student population, we opened B. Michael Caudill Middle School in 2009-2010 and Farristown Middle School in 2011-2012. Continued growth will necessitate the use of Capital Outlay funds for their intended purpose. As a result, we have an increasing need to use Capital Outlay funds for their intended purpose rather than to offset General Fund expenditures for plant operation and maintenance costs, as we have done for the past few years.

CONTACTING THE MADISON COUNTY SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide residents, creditors, and other users with an overview of the Madison County School District's finances, fiscal practices and responsibility. If you have questions or need additional information, please contact the District's Finance Officer at PO Box 768, Richmond, KY 40476.

Madison County School District
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 10,618,562	\$ 947,900	\$ 11,566,462
Investments	10,638,578	-	10,638,578
Inventories	-	119,947	119,947
Accounts Receivable:			
Taxes-current	901,056	-	901,056
Taxes-delinquent	86,780	-	86,780
Accounts	119,211	35,672	154,883
Intergovernmental-State	7,500	-	7,500
Intergovernmental-Federal	2,032,607	-	2,032,607
Total Current Assets	<u>24,404,294</u>	<u>1,103,519</u>	<u>25,507,813</u>
Noncurrent Assets			
Land and construction in progress	6,238,502	-	6,238,502
Depreciable capital assets	217,291,459	3,479,400	220,770,859
	<u>223,529,961</u>	<u>3,479,400</u>	<u>227,009,361</u>
Less: accumulated depreciation	(59,044,880)	(1,818,232)	(60,863,112)
Total Noncurrent Assets	<u>164,485,081</u>	<u>1,661,168</u>	<u>166,146,249</u>
Total Assets	<u>188,889,375</u>	<u>2,764,687</u>	<u>191,654,062</u>
Liabilities and Net Assets			
Liabilities			
Current Liabilities			
Cash overdraft	956,922	-	956,922
Accounts payable	1,591,741	34,066	1,625,807
Accrued payroll and related expenses	40,404	-	40,404
Deferred revenues	994,776	-	994,776
Bonds payable	5,345,000	-	5,345,000
Accrued sick leave payable	250,000	-	250,000
Accrued interest payable	792,239	-	792,239
Total Current Liabilities	<u>9,971,082</u>	<u>34,066</u>	<u>10,005,148</u>
Noncurrent Liabilities			
Bonds payable	101,762,983	-	101,762,983
Accrued sick leave payable	976,816	-	976,816
Total Noncurrent Liabilities	<u>102,739,799</u>	<u>-</u>	<u>102,739,799</u>
Total Liabilities	<u>112,710,881</u>	<u>34,066</u>	<u>112,744,947</u>

Madison County School District
Statement of Net Assets (Continued)
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Assets			
Invested in capital assets, net of related debt	57,377,098	1,661,168	59,038,266
Restricted for:			
Capital projects	13,405,383	-	13,405,383
Inventory	-	119,947	119,947
Site-based carryforward	242,647	-	242,647
Sick leave escrow	392,951	-	392,951
Encumbrances	359,010	344	359,354
Other	475,000	-	475,000
Unrestricted	<u>3,926,405</u>	<u>949,162</u>	<u>4,875,567</u>
Total Net Assets	<u>\$ 76,178,494</u>	<u>\$ 2,730,621</u>	<u>\$ 78,909,115</u>

Madison County School District
Statement of Activities
For the Year Ended June 30, 2012

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities:							
Instruction	\$ 58,087,412	\$ -	\$ 37,758,567	\$ -	\$ (20,328,845)	\$ -	\$ (20,328,845)
Support services:							
Student	5,572,729	-	2,304,607	-	(3,268,122)	-	(3,268,122)
Instructional staff	5,715,506	-	2,522,395	-	(3,193,111)	-	(3,193,111)
District administration	1,368,418	-	580,438	-	(787,980)	-	(787,980)
School administration	3,995,619	-	1,811,487	-	(2,184,132)	-	(2,184,132)
Business	1,334,317	-	588,586	-	(745,731)	-	(745,731)
Plant operations and maintenance	7,990,762	-	3,589,188	-	(4,401,574)	-	(4,401,574)
Student transportation	6,753,473	-	3,851,023	-	(2,902,450)	-	(2,902,450)
Non-instructional	860,381	-	161,623	-	(698,758)	-	(698,758)
Facility acquisition and construction	563,850	-	-	4,127,522	3,563,672	-	3,563,672
Interest expense	4,338,206	-	-	368,693	(3,969,513)	-	(3,969,513)
Loss on disposal of general assets	19,527	-	-	-	(19,527)	-	(19,527)
Unallocated depreciation and amortization	5,443,976	-	-	-	(5,443,976)	-	(5,443,976)
Total Governmental Activities	<u>102,044,176</u>	<u>-</u>	<u>53,167,914</u>	<u>4,496,215</u>	<u>(44,380,047)</u>	<u>-</u>	<u>(44,380,047)</u>
Business-Type Activities							
Food Service	5,654,139	1,775,989	3,098,644	-	-	(779,506)	(779,506)
Total Business-Type Activities	<u>5,654,139</u>	<u>1,775,989</u>	<u>3,098,644</u>	<u>-</u>	<u>-</u>	<u>(779,506)</u>	<u>(779,506)</u>
Total School District	<u>\$ 107,698,315</u>	<u>\$ 1,775,989</u>	<u>\$ 56,266,558</u>	<u>\$ 4,496,215</u>	<u>(44,380,047)</u>	<u>(779,506)</u>	<u>(45,159,553)</u>
			General revenues				
			Taxes				
			Property		22,262,135	-	22,262,135
			Delinquent		942,034	-	942,034
			Motor vehicle		2,426,942	-	2,426,942
			Utilities		4,700,461	-	4,700,461
			Other		679,680	-	679,680
			Tuition and fees		15,359	-	15,359
			Earnings on investments		56,234	1,532	57,766
			Miscellaneous		517,414	1,761	519,175
			Donated commodities		-	297,781	297,781
			On-behalf payments		14,597,402	518,690	15,116,092
			Total General Revenue		<u>46,197,661</u>	<u>819,764</u>	<u>47,017,425</u>
			Change in Net Assets		1,817,614	40,258	1,857,872
			Net Assets - beginning		<u>74,360,880</u>	<u>2,690,363</u>	<u>77,051,243</u>
			Net Assets - ending		<u>\$ 76,178,494</u>	<u>\$ 2,730,621</u>	<u>\$ 78,909,115</u>

Madison County School District
Balance Sheet - Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund
Assets and Resources		
Cash and cash equivalents	\$ 4,232,474	\$ -
Investments	7,390,951	-
Accounts receivable		
Taxes - current	901,056	-
Taxes - delinquent	86,780	-
Accounts	105,357	13,854
Intergovernmental - state	-	7,500
Intergovernmental - federal	-	2,032,607
Total Assets and Resources	\$ 12,716,618	\$ 2,053,961
 Liabilities and Fund Balance		
Liabilities		
Cash overdraft	\$ -	\$ 956,922
Accounts payable	450,476	102,263
Accrued payroll and related expenses	250,279	-
Accrued payroll taxes	40,125	-
Deferred revenues	-	994,776
Total Liabilities	740,880	2,053,961
 Fund Balance		
Restricted	-	-
Committed	6,303,127	-
Unassigned	5,672,611	-
Total Fund Balance	11,975,738	-
 Total Liabilities and Fund Balance	 \$ 12,716,618	 \$ 2,053,961

Construction Fund	Building Fund	Total Non-major Governmental Funds	Total Governmental Funds
\$ 4,731,131	\$ 1,654,270	\$ 687	\$ 10,618,562
3,247,627	-	-	10,638,578
-	-	-	901,056
-	-	-	86,780
-	-	-	119,211
-	-	-	7,500
-	-	-	2,032,607
<u>\$ 7,978,758</u>	<u>\$ 1,654,270</u>	<u>\$ 687</u>	<u>\$ 24,404,294</u>
\$ -	\$ -	\$ -	\$ 956,922
1,039,002	-	-	1,591,741
-	-	-	250,279
-	-	-	40,125
-	-	-	994,776
<u>1,039,002</u>	<u>-</u>	<u>-</u>	<u>3,833,843</u>
6,916,906	1,654,270	687	8,571,863
22,850	-	-	6,325,977
-	-	-	5,672,611
<u>6,939,756</u>	<u>1,654,270</u>	<u>687</u>	<u>20,570,451</u>
<u>\$ 7,978,758</u>	<u>\$ 1,654,270</u>	<u>\$ 687</u>	<u>\$ 24,404,294</u>

Madison County School District
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
As of June 30, 2012

Total fund balance per fund financial statements	\$ 20,570,451
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net assets.	164,485,081
Certain long-term assets are not reported in this fund financial statement because they are not available to pay current-period expenditures, but they are reported in the statement of net assets.	2,642,017
Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, and accrued interest) are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net assets.	<u>(111,519,055)</u>
Net assets for governmental activities:	<u><u>\$ 76,178,494</u></u>

Madison County School District
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Revenues		
From local sources		
Taxes		
Property	\$ 15,853,790	\$ -
Delinquent	699,250	-
Motor vehicle	2,426,942	-
Utilities	4,700,461	-
Other	679,680	-
Tuition and fees	15,359	-
Earnings on investments	45,659	-
Other	191,938	107,787
On behalf revenue	14,597,402	-
Intergovernmental - state	39,592,124	3,576,896
Intergovernmental - indirect federal	57,309	9,517,043
Intergovernmental - direct federal	299,100	125,442
Total Revenues	<u>79,159,014</u>	<u>13,327,168</u>
Expenditures		
Instruction	49,435,746	9,839,291
Support services		
Student	4,935,565	637,164
Instructional staff	4,301,175	1,414,331
District administration	1,308,901	-
School administration	4,046,612	93,448
Business	1,319,072	20,000
Plant operations and maintenance	8,090,857	6,933
Student transportation	7,345,640	672,534
Non-instructional	19,526	840,855
Facility acquisition and construction		
Architectural/Engineering	-	-
Site improvement	-	-
Building improvement	-	-
Debt service costs	-	-
Total Expenditures	<u>80,803,094</u>	<u>13,524,556</u>
Excess (deficit) of revenues over expenditures	(1,644,080)	(197,388)
Other financing sources (uses)		
Proceeds from sale of bonds	-	-
Proceeds from sale of fixed assets	-	-
Operating transfers in	1,000,838	198,402
Operating transfers out	(344,902)	(1,014)
Total other financing sources (uses)	<u>655,936</u>	<u>197,388</u>
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	(988,144)	-
Fund balances - July 1, 2011	<u>12,963,882</u>	<u>-</u>
Fund balances - June 30, 2012	<u>\$ 11,975,738</u>	<u>\$ -</u>

Construction Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 6,408,345	\$ -	\$ 22,262,135
-	242,784	-	942,034
-	-	-	2,426,942
-	-	-	4,700,461
-	-	-	679,680
-	-	-	15,359
40	9,848	687	56,234
-	217,689	-	517,414
-	-	-	14,597,402
-	2,469,049	1,658,473	47,296,542
-	-	-	9,574,352
-	-	368,693	793,235
<u>40</u>	<u>9,347,715</u>	<u>2,027,853</u>	<u>103,861,790</u>
-	-	-	59,275,037
-	-	-	5,572,729
-	-	-	5,715,506
-	89,657	-	1,398,558
-	-	-	4,140,060
-	-	-	1,339,072
-	-	-	8,097,790
-	-	-	8,018,174
-	-	-	860,381
-	-	-	-
-	-	-	-
11,596,216	-	-	11,596,216
-	-	9,726,692	9,726,692
<u>11,596,216</u>	<u>89,657</u>	<u>9,726,692</u>	<u>115,740,215</u>
(11,596,176)	9,258,058	(7,698,839)	(11,878,425)
-	-	-	-
-	-	-	-
5,520,670	-	8,699,350	15,419,260
-	(14,026,723)	(1,046,621)	(15,419,260)
<u>5,520,670</u>	<u>(14,026,723)</u>	<u>7,652,729</u>	<u>-</u>
(6,075,506)	(4,768,665)	(46,110)	(11,878,425)
<u>13,015,262</u>	<u>6,422,935</u>	<u>46,797</u>	<u>32,448,876</u>
<u>\$ 6,939,756</u>	<u>\$ 1,654,270</u>	<u>\$ 687</u>	<u>\$ 20,570,451</u>

Madison County School District
 Reconciliation of the Statements of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2012

Net change in total fund balances per fund financial statements	\$ (11,878,425)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense for the year.	8,972,639
Governmental funds report the proceeds from the sale of capital assets as revenues. However, in the statement of activities, historical costs and accumulated depreciation of the disposed assets at the time of the sale are considered in calculating a gain or loss on the sale. This is the amount by which the calculated loss exceeded proceeds.	(19,527)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	5,260,000
Governmental funds report interest costs as they are paid. In the statement of activities, interest costs are reported as incurred.	128,486
The cost of issuing bonds is an expense in the year paid in the governmental funds; however, these items are capitalized and amortized over the life of the bond in the statement of activities. This is the amount by which amortization costs exceeded current year issue costs paid.	(241,236)
In the statement of activities certain operating expenses and revenues such as sick leave are measured by the amounts earned during the year. In the governmental funds, however, expenditures or revenues for these items are measured by the amount of financial resources used/received.	
This year compensated absences earned exceeded the amounts paid by:	<u>(404,323)</u>
Change in net assets of governmental activities	<u><u>\$ 1,817,614</u></u>

Madison County School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget favorable (unfavorable)
Revenues				
From local sources				
Taxes:				
Property	\$ 15,325,000	\$ 15,850,000	\$ 15,853,790	\$ 3,790
Delinquent	400,000	400,000	699,250	299,250
Motor vehicle	2,500,000	2,375,000	2,426,942	51,942
Utilities	5,200,000	5,100,000	4,700,461	(399,539)
Other	400,000	679,000	679,680	680
Tuition and fees	15,500	15,500	15,359	(141)
Earnings on investments	80,000	50,000	45,659	(4,341)
Other	111,000	121,000	191,938	70,938
On behalf revenue	-	-	14,597,402	14,597,402
Intergovernmental - state	40,097,000	39,599,075	39,592,124	(6,951)
Intergovernmental - indirect federal	-	-	57,309	57,309
Intergovernmental - direct federal	250,000	193,400	299,100	105,700
Total Revenue	64,378,500	64,382,975	79,159,014	14,776,039
Expenditures				
Instruction	39,497,157	39,506,510	49,435,746	(9,929,236)
Support services:				
Student	3,791,976	3,795,957	4,935,565	(1,139,608)
Instructional staff	3,903,915	3,910,425	4,301,175	(390,750)
District administration	1,911,495	1,884,799	1,308,901	575,898
School administration	3,178,332	3,183,341	4,046,612	(863,271)
Business	957,457	980,958	1,319,072	(338,114)
Plant operations and maintenance	7,380,762	7,413,680	8,090,857	(677,177)
Student transportation	6,480,908	6,480,808	7,345,640	(864,832)
Non-instructional	-	-	19,526	(19,526)
Facility acquisition and construction				
Architectural/Engineering	15,000	15,000	-	15,000
Site improvement	-	-	-	-
Building improvement	400,000	400,000	-	400,000
Other	5,400,000	5,400,000	-	5,400,000
Total Expenditures	72,917,002	72,971,478	80,803,094	(7,831,616)
Excess (deficit) of revenues over expenditures	(8,538,502)	(8,588,503)	(1,644,080)	6,944,423
Other financing sources (uses)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	8,500	58,600	-	(58,600)
Operating transfers in	2,017	2,017	1,000,838	998,821
Operating transfers out	(195,000)	(195,000)	(344,902)	(149,902)
Total other financing sources (uses)	(184,483)	(134,383)	655,936	790,319
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	(8,722,985)	(8,722,886)	(988,144)	\$ 7,734,742
Fund balances - July 1, 2011	-	12,963,882	12,963,882	-
Fund balances - June 30, 2012	\$ (8,722,985)	\$ 4,240,996	\$ 11,975,738	\$ 7,734,742

Madison County School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Special Revenue Fund
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget favorable (unfavorable)
Revenues				
From local sources				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Delinquent	-	-	-	-
Motor vehicle	-	-	-	-
Utilities	-	-	-	-
Other	-	-	-	-
Tuition and fees	-	-	-	-
Earnings on investments	-	-	-	-
Other	4,000	29,500	107,787	78,287
On behalf revenue	-	-	-	-
Intergovernmental - state	3,075,833	3,097,141	3,576,896	479,755
Intergovernmental - indirect federal	5,800,238	6,265,966	9,517,043	3,251,077
Intergovernmental - direct federal	-	-	125,442	125,442
Total Revenue	8,880,071	9,392,607	13,327,168	3,934,561
Expenditures				
Instruction	6,390,370	6,921,293	9,839,291	(2,917,998)
Support services:				
Student	322,167	321,181	637,164	(315,983)
Instructional staff	1,122,123	1,083,334	1,414,331	(330,997)
District administration	-	-	-	-
School administration	-	-	93,448	(93,448)
Business	20,000	20,000	20,000	-
Plant operations and maintenance	-	-	6,933	(6,933)
Student transportation	368,257	352,572	672,534	(319,962)
Non-instructional	850,019	887,210	840,855	46,355
Facility acquisition and construction				
Architectural/Engineering	-	-	-	-
Site improvement	-	-	-	-
Building improvement	-	-	-	-
Other	-	-	-	-
Total Expenditures	9,072,936	9,585,590	13,524,556	(3,938,966)
 Excess (deficit) of revenues over expenditures	 (192,865)	 (192,983)	 (197,388)	 (4,405)
 Other financing sources (uses)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Operating transfers in	195,000	195,000	198,402	3,402
Operating transfers out	(2,017)	(2,017)	(1,014)	1,003
Total other financing sources (uses)	192,983	192,983	197,388	4,405
 Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	 118	 -	 -	 -
 Fund balances - July 1, 2011	 -	 -	 -	 -
 Fund balances - June 30, 2012	 \$ 118	 \$ -	 \$ -	 \$ -

Madison County School District
Statement of Net Assets - Proprietary Fund
June 30, 2012

	Food Service Fund
Assets	
Current Assets	
Cash and cash equivalents	\$ 947,900
Accounts receivable	35,672
Inventories	119,947
Total Current Assets	1,103,519
Noncurrent Assets	
Capital assets	3,479,400
Less: accumulated depreciation	(1,818,232)
Total noncurrent assets	1,661,168
Total Assets	2,764,687
Liabilities	
Current Liabilities	
Accounts payable	34,066
Total liabilities	34,066
Net Assets	
Invested in capital assets, net of related debt	1,661,168
Restricted for:	
Inventories	119,947
Committed	344
Unrestricted	949,162
Total net assets	\$ 2,730,621

Madiosn County School District
Statement of Revenues, Expenses and Changes in Net Assets -
Proprietary Fund
For the Year Ended June 30, 2012

	<u>Food Service Fund</u>
Operating Revenues	
Lunchroom sales	\$ 1,775,989
Other operating revenues	2,432
Total Operating Revenues	<u>1,778,421</u>
Operating Expenses	
Salaries and benefits	2,707,197
Contract services	166,569
Materials and supplies	2,532,168
Depreciation	245,160
Other operating expenses	3,716
Total Operating Expenses	<u>5,654,810</u>
Operating loss	<u>(3,876,389)</u>
Nonoperating Revenues (Expenses)	
Federal grants	3,047,008
Donated commodities	297,781
On-behalf payments	518,690
State grants	51,636
Earnings on investments	1,532
Total Nonoperating Revenues (Expenses)	<u>3,916,647</u>
Change in net assets	40,258
Net assets, July 1, 2011	<u>2,690,363</u>
Net assets, June 30, 2012	<u><u>\$ 2,730,621</u></u>

Madison County School District
Statement of Cash Flows -
Proprietary Fund
For the Year Ended June 30, 2012

	<u>Food Service Fund</u>
Cash Flows from Operating Activities	
Cash received from	
Lunchroom sales	\$ 1,822,634
Other activities	2,432
Cash paid to/for:	
Employees	(2,707,197)
Supplies	(2,506,823)
Other activities	(186,919)
Net cash used by operating activities	<u>(3,575,873)</u>
Cash Flows from Noncapital Financing	
Federal and state grants	3,098,644
Donated commodities	297,781
On-behalf payments	518,690
Net cash provided by noncapital financing activities	<u>3,915,115</u>
Cash Flows from Capital Financing	
Purchase of fixed assets	(415,661)
Net cash used by noncapital financing activities	<u>(415,661)</u>
Cash Flows from Investing Activities	
Receipt of interest income	1,532
Net cash provided by investing activities	<u>1,532</u>
Net decrease in cash and cash equivalents	(74,887)
Cash and cash equivalents at July 1, 2011	<u>1,022,787</u>
Cash and cash equivalents at June 30, 2012	<u>\$ 947,900</u>
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (3,876,389)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	245,160
Return of insufficient funds checks	654
Changes in assets and liabilities	
Decrease in inventory	25,345
Decrease in accounts receivable	45,991
Decrease in accounts payable	(16,634)
Net cash used by operating activities	<u>\$ (3,575,873)</u>

Madison County School District
Statement of Fiduciary Net Assets - Fiduciary Funds
June 30, 2012

Assets	
Cash and cash equivalents	\$ 755,284
Investments	69,000
Accounts receivable	<u>25,076</u>
Total Assets	<u>849,360</u>
Liabilities	
Accounts payable	<u>17,225</u>
Total Liabilities	<u>17,225</u>
Net Assets	
Held in Trust	<u>832,135</u>
Total Net Assets	<u><u>\$ 832,135</u></u>

Madiosn County School District
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds
For the Year Ended June 30, 2012

Revenues	
From local sources	
Other revenue	\$ 2,606,762
Total Revenues	<u>2,606,762</u>
Expenditures	
Other expenditures	2,587,802
Total Expenditures	<u>2,587,802</u>
Excess (deficit) of revenues over expenditures	18,960
Net Assets - July 1, 2011	<u>813,175</u>
Fund balances - June 30, 2012	<u><u>\$ 832,135</u></u>

Madison County School District
Notes to Financial Statements
June 30, 2012

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Madison County Board of Education (the "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 Madison County School District (the "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. 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 of the funds and account groups relevant to the operation of the District. 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 District itself such as Band Boosters, Parent-Teacher Associations, etc.

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:

Madison County Board of Education Finance Corporation – On May 16, 1989, the Madison County, Kentucky, Board of Education resolved to authorize the establishment of the Madison County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS Section 58.180) (the "Corporation") as an agency of the Board for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors.

Basis of Presentation

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items properly not included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental, proprietary and fiduciary funds. Major individual funds are reported as separate columns in the fund financial statements.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Preparation

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. This differs from the manner in which governmental fund financial statements are prepared, therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 a 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 net total assets. 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.

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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the main operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any unassigned fund balances are considered as resources available for use. Commitments have been placed on the fund balance for outstanding encumbrances, allocation to the schools' site based decision making councils, accrued sick leave and other various future uses. 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. It includes federal financial programs where unused balances are returned to the grantor at the close of the 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.
- (C) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Fund).
 - 1. The Support Education Excellence in Kentucky (SEEK) or ("Capital Outlay Fund") receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the District's facility plan.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Preparation (Continued)

2. The Facility Support Program of Kentucky (FSPK) or (“Building Fund”) 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 major fund of the District.
 3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This is a major fund of the District.
- (D) The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs.

II. Proprietary Fund Types (Enterprise Fund)

- (A) The Food Service Fund is used to account 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.

The District applies all GASB pronouncements to proprietary funds as well as the Financial Accounting Standards Board pronouncements issued on or after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

III. Fiduciary Fund Type (Agency and Private Purpose Trust Funds)

Activity funds account for activities of student groups and other types of activities requiring clearing accounts. The schools’ funds are accounted for in accordance with “Accounting Procedures for Kentucky School Activity Funds”.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, 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 sixty days of the fiscal year-end.

Nonexchange 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. 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 resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Preparation (Continued)

Deferred Revenue – Deferred 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 deferred revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses, and changes in net assets as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Property Taxes

Property taxes collected are reported as revenues in the fund for which they were levied. Property taxes are levied each September and are based on property valuations on January 1 for all real and personal property in the county. Tax 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 is mailed. Property taxes collected are recorded as revenues in the fiscal year for which they were levied. All taxes collected are initially deposited in the General Fund and then transferred to the appropriate fund.

Property tax rates for the year ended June 30, 2011, to finance the general fund operations were \$.583 per \$100 of valued real property, \$.592 per \$100 of valued business personal property and \$.558 per \$100 of valued motor vehicles.

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 assets 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 assets 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 fair market values as of the date received. 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 not.

The District maintains a capitalization threshold of one thousand dollars (\$1,000) with the exception of computers, digital cameras and real property; for which there is no threshold. The District does not possess any infrastructure.

All reported capital assets and improvements are depreciated. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 1 – Summary of Significant Accounting Policies (Continued)

Interfund Balances

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

Accumulated Unpaid Sick Leave Benefits

Upon entering the Kentucky Teachers’ Retirement System, certified employees will receive from the District an amount equal to 30% of the total value of unused sick days times daily pay rate.

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 account “accrued sick leave payable” in the general fund. The noncurrent portion of the liability is not reported.

Budgetary Basis of Accounting

The District prepares its budgets on the modified accrual basis of accounting, which is the same basis of accounting used to prepared the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after the close of any given fiscal year-end, as directed by law.

The Kentucky Department of Education does not require the Capital Projects Funds and Debt Service Funds to prepare budgets.

Cash and Cash Equivalents

The District considers demand deposits, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents.

Inventories

On government-wide financial statements inventories are stated at cost and are expensed when used.

On fund financial statements inventories are stated at cost. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

Inventories of purchased goods of the Enterprise Fund are carried at cost on a first-in first-out basis. Inventories of donated commodities of the Enterprise Fund are recognized at the fair value when received.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 1 – Summary of Significant Accounting Policies (Continued)

Prepaid Assets

Payments made that will benefit periods beyond June 30, 2012 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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 noncurrent 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.

Fund Balance

The District follows the provisions of GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund statements, governmental funds are required to report the following classifications of fund balance as applicable:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The District has not reported any amounts that are nonspendable for the year ended June 30, 2012.
- Restricted – includes amounts restricted by external sources (creditors, grantors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to orders passed by the Board, the District's highest level of decision making authority. Commitments may be modified or rescinded only through orders approved by the Board.
- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The District has not adopted a policy on who may assign funds for specific uses.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance procedures described below as unassigned.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their 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 the various schools. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the proprietary funds. All other expenses are reported as non-operating expenses.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

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 proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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 of assets, liabilities, fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 2 – Cash and Cash Equivalents

The District maintains their cash and investments with various local banks and with PFM Asset Management, LLC. Federal Depository Insurance covers all of the account balances at the local banks. PFM Asset Management, LLC pools investments from only governmental entities to maximize investment earnings. Since PFM Asset Management, LLC does not maintain banks locally, they contract with Peoples Bank to maintain the daily banking needs of the District and “sweep” the deposits daily to maximize the earnings from investments. The cost of using Peoples Bank for the District’s local banking needs is deducted from the earnings from investments at PFM. All account balances are covered by Federal Depository Insurance and/or pledged securities.

Cash and cash equivalents consist of demand deposit accounts and money market mutual funds. At June 30, 2012 the carrying amount of cash and cash equivalents was \$11,566,462 and the bank balance was \$16,241,523. The money market mutual fund invests solely in obligations of the United States and its agencies and instrumentalities. The credit quality rating of the money market mutual fund is AAAM.

Investments consist of certificate of deposits and obligations of the United States and its agencies and instrumentalities. Federal Depository Insurance covered the certificates of deposits. The carrying amount of the investments at June 30, 2012 was \$10,638,578. Due to the liquid nature of these accounts, the carrying value is equal to the fair market value.

Note 3 – Transfer of Funds

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
Building Fund	Debt Service Fund	Debt Payments	\$ 8,699,350
Building Fund	Construction Fund	Construction	5,327,373
Capital Outlay Fund	General Fund	Operating Costs	999,824
Capital Outlay Fund	Construction Fund	Construction	46,797
Special Revenue Fund	General Fund	Indirect Costs	1,014
General Fund	Special Revenue Fund	Matching KETS	198,402
General Fund	Construction Fund	Construction	146,500

Note 4 – On-Behalf Payments

The financial statements include payments made by the State of Kentucky on – behalf of the Madison County School District for teacher’s retirement, health insurance, life insurance, administrative fees, and state operated vocational schools where applicable. The amounts were recorded, but not budgeted, within the General and School Food Services Funds. The amounts recorded for both revenues and expenditures (expenses) are \$14,597,401 for the General Fund, \$658,648 for the Debt Service Fund and \$518,690 for the School Food Service Fund.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 5 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

<u>Governmental Activities</u>	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Land and improvements	\$ 7,649,638	\$ -	\$ -	\$ 7,649,638
Buildings	162,086,937	23,332,120		185,419,057
Technology equipment	8,453,735	1,443,920	722,393	9,175,262
Vehicles	13,360,735	1,275,300	48,667	14,587,368
General equipment	3,888,424	405,629	42,032	4,252,021
Construction in progress	14,728,205	11,032,366	23,313,956	2,446,615
Totals at historical cost	<u>210,167,674</u>	<u>37,489,335</u>	<u>24,127,048</u>	<u>223,529,961</u>
Less: accumulated depreciation				
Land improvements	3,246,583	99,755		3,346,338
Buildings	34,284,603	2,861,852		37,146,455
Technology equipment	6,074,344	1,137,885	707,552	6,504,677
Vehicles	9,353,946	784,941	48,667	10,090,220
General equipment	1,676,229	318,307	37,346	1,957,190
Total accumulated depreciation	<u>54,635,705</u>	<u>5,202,740</u>	<u>793,565</u>	<u>59,044,880</u>
Governmental Activities Capital Assets - Net	<u>\$ 155,531,969</u>	<u>\$ 32,286,595</u>	<u>\$ 23,333,483</u>	<u>\$ 164,485,081</u>
<u>Business-type Activities</u>				
Technology equipment	\$ 46,759	\$ 9,723	\$ 3,468	\$ 53,014
General equipment	3,031,839	405,937	11,390	3,426,386
Totals at historical cost	<u>3,078,598</u>	<u>415,660</u>	<u>14,858</u>	<u>3,479,400</u>
Less: accumulated depreciation				
Technology equipment	39,279	5,407	3,468	41,218
General equipment	1,548,652	239,752	11,390	1,777,014
Total accumulated depreciation	<u>1,587,931</u>	<u>245,159</u>	<u>14,858</u>	<u>1,818,232</u>
Business-type Activities Capital Assets - Net	<u>\$ 1,490,667</u>	<u>\$ 170,501</u>	<u>\$ -</u>	<u>\$ 1,661,168</u>

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 6 – Bonded Debt Obligations

The amount shown in the accompanying financial statements as bonds payable represents the District's future obligations to make payments relating to bonds issued by the Madison County School District Finance Corporation (Finance Corporation) on behalf of the District for purposes of school facility construction.

At June 30, 2012, the District had the following bonds payable outstanding:

Description	Series	Original Amount	Maturity Date	Interest Rates	Outstanding at 6/30/12
Revenue Bond	2001B	2,730,000	Feb. 2014	3.4 - 4.25%	\$ 325,000
Revenue Bond	2003	8,245,000	June 2023	1.0 - 3.6%	3,610,000
Revenue Bond	2004A	14,725,000	Oct. 2024	2.0 - 4.375%	11,055,000
Revenue Bond	2004B	3,235,000	Aug. 2016	2.0 - 3.7%	1,835,000
Revenue Bond	2004C	4,315,000	May 2016	2.0 - 3.75%	675,000
Revenue Bond	2005	15,295,000	Feb. 2025	3.0 - 4.0%	12,490,000
Revenue Bond	2006	5,880,000	May 2026	4.0 - 4.25%	4,560,000
Revenue Bond	2006B	2,350,000	Oct. 2026	3.88%	2,045,000
Revenue Bond	2008	22,820,000	June 2028	3.25 - 4.375%	20,565,000
Revenue Bond	2008B	7,585,000	Nov. 2022	3.0 - 4.625%	6,405,000
Revenue Bond	2009	9,995,000	Nov. 2028	4.35 - 4.6%	9,995,000
Revenue Bond	2009R	2,475,000	Dec. 2018	1.0 - 3.0%	1,715,000
Revenue Bond	2010	22,800,000	June 2030	0.7 - 5.6%	21,730,000
Revenue Bond	2010R	10,295,000	Feb. 2021	0.4 - 2.5%	8,855,000
Revenue Bond	2011	4,040,000	April 2031	1.0 - 4.375%	3,890,000
Total payable at par					109,750,000
Less: unamortized bond issue costs					(1,159,333)
Less: unamortized bond discounts					(1,060,482)
Less: unamortized defeasance costs					(422,202)
Total net payable					107,107,983
Less: current portion payable from restricted assets					(5,345,000)
Total long-term portion					<u>\$ 101,762,983</u>

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding. The District is also obligated to maintain adequate property insurance on the school facilities.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 6 – Bonded Debt Obligations (Continued)

Bond activity for the fiscal year ended June 30, 2012, was as follows:

Bond Issue	Balance 6/30/2011	Additions	Retirements	Balance 6/30/2012
2001B	570,000	-	245,000	325,000
2003	3,865,000	-	255,000	3,610,000
2004A	11,625,000	-	570,000	11,055,000
2004B	2,115,000	-	280,000	1,835,000
2004C	1,130,000	-	455,000	675,000
2005	12,925,000	-	435,000	12,490,000
2006	4,800,000	-	240,000	4,560,000
2006B	2,110,000	-	65,000	2,045,000
2008	21,160,000	-	595,000	20,565,000
2008B	6,810,000	-	405,000	6,405,000
2009	9,995,000	-	-	9,995,000
2009R	1,980,000	-	265,000	1,715,000
2010	22,270,000	-	540,000	21,730,000
2010R	9,615,000	-	760,000	8,855,000
2011	4,040,000	-	150,000	3,890,000
	<u>\$ 115,010,000</u>	<u>\$ -</u>	<u>\$ 5,260,000</u>	<u>\$ 109,750,000</u>

The District entered into participation agreements with the Kentucky School Facility Construction Commission. The Commission was created by the Kentucky Legislature 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 Commission for each year until maturity of all bond issues.

The bonds may be called prior to maturity at dates and redemption premiums specified in each issue. Assuming no issues are called prior to maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2012 for debt service, (principal and interest) are as follows:

	Commission		District		Total
	Principal	Interest	Principal	Interest	
2013	\$ 464,292	\$ 142,759	\$ 4,880,708	\$ 4,197,197	\$ 9,684,956
2014	348,964	128,159	5,016,036	4,059,009	9,552,168
2016	349,599	117,937	5,160,401	3,913,558	9,541,495
2016	355,597	107,228	5,314,403	3,754,664	9,531,892
2017	332,779	96,227	5,477,221	3,583,618	9,489,845
2018-2022	1,191,326	338,942	30,308,674	14,852,418	46,691,360
2023-2027	1,045,669	115,743	34,524,331	8,140,165	43,825,908
2028-2031	35,622	1,561	14,944,378	1,277,215	16,258,776
Totals	<u>\$ 4,123,848</u>	<u>\$ 1,048,556</u>	<u>\$ 105,626,152</u>	<u>\$ 43,777,844</u>	<u>\$ 154,576,400</u>

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 7 – Fund Balances – Governmental Funds

As of June 30, 2012, fund balances of the governmental funds are composed of the following:

	General Fund	Special Revenue Fund	Construction Fund	Building Fund	Non-major Funds
Restricted:					
Debt Service	\$ -	\$ -	\$ -	\$ 1,654,271	\$ -
Construction	-	-	6,916,906	-	-
Other	-	-	-	-	687
Committed:					
Sick Leave	392,951	-	-	-	-
Capital Outlay	4,833,519	-	-	-	-
Personnel Costs	475,000	-	-	-	-
Site Based					
Carry Forward	242,647	-	-	-	-
Encumbrances	359,010	-	22,850	-	-
Assigned	-	-	-	-	-
Unassigned	5,672,611	-	-	-	-
Total Fund Balances	<u>\$ 11,975,738</u>	<u>\$ -</u>	<u>\$ 6,939,756</u>	<u>\$ 1,654,271</u>	<u>\$ 687</u>

Note 8 – Retirement Plans

Kentucky Teachers' Retirement System

The Madison County School District contributes to the Teachers' Retirement System of Kentucky (KTRS), a cost-sharing, multiple employer defined benefit pension plan. KTRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems and other public educational agencies in Kentucky. KTRS requires that members of KTRS occupy a position requiring either a four (4) year college degree or certification by Kentucky Department of Education (KDE).

KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). KTRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report can be obtained by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601 or from the KTRS web site at <http://ktrs.ky.gov/>.

Contribution rates are established by KRS. Members before July 1, 2008 are required to contribute 10.355% of their salaries to KTRS and members after July 1, 2008 contribute 10.855%. The Commonwealth of Kentucky is required to contribute 13.605% of salaries for members before July 1, 2008 and 14.105% of salaries for members after July 1, 2008. The federal program for any salaries paid by that program pays the matching contributions.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 8 – Retirement Plans (Continued)

Kentucky Teachers' Retirement System (Continued)

Medical Insurance Plan

In addition to the pension benefits described above, Kentucky Revised Statute 161.675 requires KTRS to provide post-retirement healthcare benefits to eligible members and dependents. The KTRS Medical Insurance benefit 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.

To be eligible for medical benefits, the member must have retired either for service or disability. The KTRS Medical Insurance Fund offers coverage to members under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. Once retired members and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the KTRS Medicare Eligible Health Plan.

The post-retirement healthcare provided by KTRS is financed on a pay-as-you-go basis. In order to fund the post-retirement healthcare benefit, two percent (2.0%) of the gross annual payroll of members before July 1, 2008 is contributed. One percent (1.0%) of this amount is derived from member contributions, three-quarters (.75%) from state appropriation and one quarter (.25%) from the employer. Members after July 1, 2008 contribute an additional .75% to the medical insurance fund. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

The Madison County School System's total payroll for the year was \$56,882,206. The payroll for employees covered under KTRS was \$44,925,018. For the year ended June 30, 2012, the Commonwealth contributed \$5,225,035 to KTRS for the benefit of our participating employees. The District's contributions to KTRS for the year ending June 30, 2012 were \$933,325.

The District's required contributions (both withholding and match) for pension obligations to KTRS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$5,608,964, \$5,226,257, and \$4,917,396, respectively.

County Employees Retirement System

Employees who work an average of 80 hours per month participate in the County Employees Retirement System of Kentucky (CERS), a cost sharing, multiple-employer public employee's retirement system created by and operating under Kentucky Law.

The County Employees Retirement System covers substantially all regular non-certified full-time employees of the District. The plan provides for retirement, disability and death benefits. CERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained in writing from the County Employee Retirement System, 1260 Louisville Road, Perimeter Park West, and Frankfort, Kentucky, 40601.

For participating employees who established an account prior to July 1, 2008, they contribute 5% of the creditable compensation. For employees hired after July 1, 2008, they contribute 6% of the creditable compensation. Employer contribution rates are intended to fund the normal cost on a current basis plus one percent (1%) of un-funded past service costs per annum plus interest at the actuarial assumed rate. The Board of Trustees of the Kentucky Retirement Systems determines such contribution rates each biennium.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 8 – Retirement Plans (Continued)

County Employees Retirement System (Continued)

The current District contribution rate is 18.96%. The District contributed \$2,312,250 of the employee's compensation during the fiscal year ended June 30, 2012.

The District's required contributions (both withholding and match) for pension obligations to CERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$2,940,674, \$2,604,567 and \$2,456,909 respectively.

Note 9 - Contingencies

The District receives funding from Federal, State and Local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if based upon the grantor's review, the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the District for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

Note 10 – Litigation

The District is subject to various other legal actions in various stages of litigation, the outcome of which has not been quantified and not shown as a liability in the financial statements. The attorneys for the Board are under the presumption that insurance will cover any loss from such litigation.

Note 11 – 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 is covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated including Workers' Compensation insurance. Premiums for these policies are based upon the District's experience to date.

Note 12 – Risk Management

The District is exposed to various risks of loss related to injuries to employees. To obtain insurance of workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. The public entity risk pools operate as common risk management and insurance programs for all school district 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. Contributions to the Workers' Compensation fund are based on premium rates established by such 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 (24) 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 (90) days notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the members on a pro rata basis.

Madison County School District
Notes to Financial Statements (Continued)
June 30, 2012

Note 12 – Risk Management (Continued)

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 three fiscal years.

Note 13 – Subsequent Events

Management has evaluated subsequent events through October 3, 2012, the date which the financial statements were available to be issued.

Madison County School District
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2012

	<u>Capital Outlay Fund</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
Assets and Resources			
Cash and cash equivalents	\$ 687	\$ -	\$ 687
Investments	-	-	-
Accounts receivable:			
Taxes - current	-	-	-
Taxes - delinquent	-	-	-
Accounts	-	-	-
Intergovernmental - state	-	-	-
Intergovernmental - federal	-	-	-
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets and Resources:	<u><u>\$ 687</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 687</u></u>
Liabilities and Fund Balances			
Liabilities			
Cash overdraft	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Accrued payroll and related expenses	-	-	-
Due to other funds	-	-	-
Obligation under capital lease	-	-	-
Deferred revenues	-	-	-
Compensated absences	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities:	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balances			
Restricted	687	-	687
Assigned	-	-	-
Committed	-	-	-
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u><u>687</u></u>	<u><u>-</u></u>	<u><u>687</u></u>
Total Liabilities and Fund Balance:	<u><u>\$ 687</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 687</u></u>

Madison County School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-Major Governmental Funds
For the Year Ended June 30, 2012

	Capital Outlay Fund	Debt Service Fund	Total Non-Major Governmental Funds
Revenues			
From local sources			
Taxes:			
Property	\$ -	\$ -	\$ -
Motor vehicle	-	-	-
Utilities	-	-	-
Other	-	-	-
Tuition and fees	-	-	-
Earnings on investments	687	-	687
Other	-	-	-
On behalf revenue	-	-	-
Intergovernmental - state	999,824	658,649	1,658,473
Intergovernmental - indirect federal	-	-	-
Intergovernmental - direct federal	-	368,693	368,693
Total Revenues	<u>1,000,511</u>	<u>1,027,342</u>	<u>2,027,853</u>
Expenditures			
Instruction	-	-	-
Support services:			
Student	-	-	-
Instructional staff	-	-	-
District administration	-	-	-
School administration	-	-	-
Business	-	-	-
Plant operations and maintenance	-	-	-
Student transportation	-	-	-
Non-instructional	-	-	-
Facility acquisition and construction	-	-	-
Debt service costs	-	9,726,692	9,726,692
Total Expenditures	<u>-</u>	<u>9,726,692</u>	<u>9,726,692</u>
Excess (deficit) of revenues over expenditures	1,000,511	(8,699,350)	(7,698,839)
Other financing sources (uses)			
Proceeds from sale of bonds	-	-	-
Proceeds from sale of fixed assets	-	-	-
Operating transfers in	-	8,699,350	8,699,350
Operating transfers out	(1,046,621)	-	(1,046,621)
Total other financing sources (uses)	<u>(1,046,621)</u>	<u>8,699,350</u>	<u>7,652,729</u>
Deficit of revenues and other financing sources over expenditures and other financing uses	(46,110)	-	(46,110)
Fund balances - July 1, 2011	<u>46,797</u>	<u>-</u>	<u>46,797</u>
Fund balances - June 30, 2012	<u>\$ 687</u>	<u>\$ -</u>	<u>\$ 687</u>

Madison County School District
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Madison Central High School	Madison Southern High School	B. Michael Caudill Middle School	Clark Moores Middle School	Farristown Middle School	Madison Middle School
Assets						
Cash and cash equivalents	\$ 296,431	\$ 72,485	\$ 25,571	\$ 79,040	\$ 19,298	\$ 25,382
Investments	64,000	-	-	-	-	-
Accounts receivable	3,018	10,888	5,472	303	-	25
Total Assets and Resources	\$ 363,449	\$ 83,373	\$ 31,043	\$ 79,343	\$ 19,298	\$ 25,407
Liabilities and Fund Balances						
Accounts payable	\$ 8,498	\$ 4,684	\$ 110	\$ 1,324	\$ 389	\$ -
Total Liabilities	8,498	4,684	110	1,324	389	-
Net Assets						
Held in trust	354,951	78,689	30,933	78,019	18,909	25,407
Total Net Assets	\$ 354,951	\$ 78,689	\$ 30,933	\$ 78,019	\$ 18,909	\$ 25,407

Red Foley Middle School	Daniel Boone Elementary	Glenn R. Marshall Elementary	Kingston Elementary	Kirksville Elementary	Kit Carson Elementary	Mayfield Elementary
\$ 31,795	\$ 16,599	\$ 24,755	\$ 22,174	\$ 10,662	\$ 12,868	\$ 9,244
-	-	-	-	-	-	-
-	-	1,805	-	-	-	67
<u>\$ 31,795</u>	<u>16,599</u>	<u>26,560</u>	<u>22,174</u>	<u>10,662</u>	<u>12,868</u>	<u>9,311</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,948	\$ 181
-	-	-	-	-	1,948	181
31,795	16,599	26,560	22,174	10,662	10,920	9,130
<u>\$ 31,795</u>	<u>\$ 16,599</u>	<u>\$ 26,560</u>	<u>\$ 22,174</u>	<u>\$ 10,662</u>	<u>\$ 10,920</u>	<u>\$ 9,130</u>

Madison County School District
Combining Statement of Fiduciary Net Assets (Continued)
Fiduciary Funds
June 30, 2011

	Shannon Johnson Elementary	Silver Creek Elementary	Waco Elementary	White Hall Elementary	Total Fiduciary Funds
Assets					
Cash and cash equivalents	\$ 16,023	\$ 24,437	\$ 12,565	\$ 55,955	\$ 755,284
Investments	-	-	5,000	-	69,000
Accounts receivable	-	3,498	-	-	25,076
Total Assets and Resources	<u>16,023</u>	<u>\$ 27,935</u>	<u>\$ 17,565</u>	<u>\$ 55,955</u>	<u>\$ 849,360</u>
Liabilities and Fund Balances					
Accounts payable	\$ 30	\$ 61	-	-	\$ 17,225
Total Liabilities	<u>30</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>17,225</u>
Net Assets					
Held in trust	<u>15,993</u>	<u>27,874</u>	<u>17,565</u>	<u>55,955</u>	<u>832,135</u>
Total Net Assets	<u>\$ 15,993</u>	<u>\$ 27,874</u>	<u>\$ 17,565</u>	<u>\$ 55,955</u>	<u>\$ 832,135</u>

Madison County School District
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

	Madison Central High School	Madison Southern High School	B. Michael Caudill Middle School	Clark Moores Middle School	Farristown Middle School	Madison Middle School
Revenues						
From local sources						
Other revenue	\$ 732,631	\$ 399,086	\$ 263,637	\$ 226,278	\$ 166,366	\$ 196,139
Total Revenues	<u>732,631</u>	<u>399,086</u>	<u>263,637</u>	<u>226,278</u>	<u>166,366</u>	<u>196,139</u>
Expenditures						
Other expenditures	745,910	377,954	274,881	233,865	154,142	196,197
Total Expenditures	<u>745,910</u>	<u>377,954</u>	<u>274,881</u>	<u>233,865</u>	<u>154,142</u>	<u>196,197</u>
Excess (deficit) revenues over expenditures	(13,279)	21,132	(11,244)	(7,587)	12,224	(58)
Net Assets - July 1, 2011	<u>368,230</u>	<u>57,557</u>	<u>42,177</u>	<u>85,606</u>	<u>6,685</u>	<u>25,465</u>
Net Assets - June 30, 2012	<u>\$ 354,951</u>	<u>\$ 78,689</u>	<u>\$ 30,933</u>	<u>\$ 78,019</u>	<u>\$ 18,909</u>	<u>\$ 25,407</u>

<u>Red Foley Middle School</u>	<u>Daniel Boone Elementary</u>	<u>Glenn R. Marshall Elementary</u>	<u>Kingston Elementary</u>	<u>Kirksville Elementary</u>	<u>Kit Carson Elementary</u>	<u>Mayfield Elementary</u>
<u>\$ 132,211</u>	<u>\$ 28,186</u>	<u>\$ 93,132</u>	<u>\$ 56,824</u>	<u>\$ 42,048</u>	<u>\$ 46,142</u>	<u>\$ 17,024</u>
<u>132,211</u>	<u>28,186</u>	<u>93,132</u>	<u>56,824</u>	<u>42,048</u>	<u>46,142</u>	<u>17,024</u>
<u>122,092</u>	<u>28,973</u>	<u>88,278</u>	<u>54,708</u>	<u>48,959</u>	<u>45,423</u>	<u>17,401</u>
<u>122,092</u>	<u>28,973</u>	<u>88,278</u>	<u>54,708</u>	<u>48,959</u>	<u>45,423</u>	<u>17,401</u>
10,119	(787)	4,854	2,116	(6,911)	719	(377)
<u>21,676</u>	<u>17,386</u>	<u>21,706</u>	<u>20,058</u>	<u>17,573</u>	<u>10,201</u>	<u>9,507</u>
<u>\$ 31,795</u>	<u>\$ 16,599</u>	<u>\$ 26,560</u>	<u>\$ 22,174</u>	<u>\$ 10,662</u>	<u>\$ 10,920</u>	<u>\$ 9,130</u>

Madison County School District
Combining Statement of Changes in Net Assets (Continued)
Fiduciary Funds
For the Year Ended June 30, 2012

	Shannon Johnson Elementary	Silver Creek Elementary	Waco Elementary	White Hall Elementary	Total Fiduciary Funds
Revenues					
From local sources					
Other revenue	\$ 57,696	\$ 38,058	\$ 39,222	\$ 72,082	\$ 2,606,762
Total Revenues	<u>57,696</u>	<u>38,058</u>	<u>39,222</u>	<u>72,082</u>	<u>2,606,762</u>
Expenditures					
Other expenditures	60,013	34,857	35,620	68,529	2,587,802
Total Expenditures	<u>60,013</u>	<u>34,857</u>	<u>35,620</u>	<u>68,529</u>	<u>2,587,802</u>
Excess (deficit) revenues over expenditures	(2,317)	3,201	3,602	3,553	18,960
Net Assets - July 1, 2011	<u>18,310</u>	<u>24,673</u>	<u>13,963</u>	<u>52,402</u>	<u>813,175</u>
Net Assets - June 30, 2012	<u>\$ 15,993</u>	<u>\$ 27,874</u>	<u>\$ 17,565</u>	<u>\$ 55,955</u>	<u>\$ 832,135</u>

Madison County School District
 Madison Central High School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
AAMMP	\$ 562	\$ 266	\$ -	\$ 98	\$ 394
Academic team	-	338	-	969	631
Administrative fund	-	100	-	120	20
Advertisement - athletics	10,549	-	(10,549)	-	-
Anatomy club	200	188	-	33	45
Archery club	5,202	3,769	-	156	1,589
Art club	25	-	-	-	25
Baseball	405	7,742	7,337	-	-
Baseball club	24,107	24,555	(1,427)	2,074	199
Ben wingate fund	-	124	-	202	78
Book club	1,633	3,153	1,500	690	670
Bowling team	-	-	-	-	-
Bowling team	1,152	2,352	1,200	-	-
Boys golf club	10,887	7,092	(622)	708	3,881
Boys basketball	3,260	15,835	12,575	-	-
Boys basketball club	660	500	-	-	160
Boys cross country	-	2,025	2,025	-	-
Boys golf	-	1,832	1,832	-	-
Boys soccer	2,987	7,247	4,260	-	-
Boys track	-	1,894	1,894	-	-
Boys track club	8,815	8,872	(309)	1,778	1,412
Champions	-	-	-	601	601
Cheer club	49,581	48,931	(543)	526	633
Cheerleader trip	41,398	52,464	11,841	5,142	5,917
Choral music	81,814	86,691	(181)	6,433	1,375
CIA	500	1,549	-	1,791	742
Concession	27,710	15,588	(12,122)	-	-
Cross country club	3,155	773	(2,625)	1,206	963
Culinary skills class	-	-	-	79	79

Madison County School District
 Madison Central High School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
DABS	1,326	2,197	(40)	970	59
Dance - nationals	4,205	4,130	-	-	75
Drama club	6,447	6,691	80	1,397	1,233
Express yourself club	10	1,788	(144)	2,407	485
FAC - staff appreciation	2,526	3,733	821	767	381
FAC - staff retirement	25	3,114	2,123	4,980	4,014
FCA	53	27	-	548	574
FCCLA	167	110	-	818	875
FFA club	5,184	5,316	(55)	17,522	17,335
FMLA	-	-	-	-	-
Football	9,984	28,275	18,291	-	-
Football club	1,540	113	(40)	653	2,040
French club	587	562	-	123	148
Freshman academy	-	-	(40)	2,555	2,515
Future educators of america	-	-	-	138	138
Gate receipts	69,844	4,437	(65,407)	-	-
General fund	31,513	24,906	(8,574)	172,027	170,060
Girls basketball	795	13,435	12,640	-	-
Girls basketball club	21,675	19,071	(1,580)	10,960	11,984
Girls cross country	-	2,480	2,480	-	-
Girls golf	-	1,245	1,245	-	-
Girls soccer	-	7,954	7,954	-	-
Girls soccer club	9,243	5,457	(3,654)	6,439	6,571
Girls track	-	2,166	2,166	-	-
Girls track club	8,645	7,438	(581)	1,940	2,566
Greenhouse workstudy	-	166	(20)	768	582
Guidance-testing	20,426	18,229	30	1,818	4,045
Home economics	597	454	-	48	191
Homecoming	3,875	4,582	600	3,076	2,969

Madison County School District
 Madison Central High School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Independent study	-	-	-	452	452
Indian insider	270	125	-	615	760
Interest	819	-	(1,666)	904	57
JROTC club	623	2,053	-	3,156	1,726
Junior class	16,171	20,777	(40)	11,605	6,959
Key club	261	-	-	-	261
Kyle nehila scholars	-	-	-	80	80
Latin club	6,493	6,936	-	576	133
Library activities	3,318	2,975	15	970	1,328
Lost textbooks	2,434	2,196	-	-	238
Louise Abney scholars	6,151	4,957	500	2,722	4,416
Michael Hobbs scholars	-	-	-	240	240
Misc. athletics	19,589	22,553	1,399	10,435	8,870
Mock trial	2,350	3,338	165	823	-
Monday morning men	638	55	(500)	111	194
Musical theatre	19,922	18,811	-	3,096	4,207
National honor society	5,512	5,770	-	359	101
Parking stickers	3,170	5,156	(1,500)	6,919	3,433
Pass program	-	195	-	570	375
Pep club	2,233	2,013	(15)	131	336
Poster machine	56	743	687	-	-
Project succeed	-	11	-	11	-
Recycle club	-	-	-	-	-
Renaissance program	6,218	7,255	(100)	5,922	4,785
Science club	122	195	-	524	451
Science olympiad	646	674	-	42	14
Senior prize money	2,212	2,102	-	575	685
Softball	52	5,813	5,761	-	-
Softball club	23,775	14,458	(3,331)	-	5,986

Madison County School District
Madison Central High School
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Softball travel	-	-	3,000	-	3,000
Sophomore class	6,807	3,796	(5,050)	4,986	2,947
Soul	5,089	5,448	750	-	391
Spanish club	3,024	3,456	(70)	2,121	1,619
Spanish honor society	84	181	(40)	385	248
Staffulty - unity club	4,772	4,413	171	1,084	1,614
Step team	4,446	4,282	-	78	242
STLP	50	108	-	203	145
Student fees	42,270	48,427	6,044	428	315
Student pride tribe	-	-	-	824	824
Swimming	-	5,822	5,822	-	-
Swimming Club	2,891	575	(2,862)	2,425	1,879
Technology student	-	1,045	-	1,323	278
Tennis	-	1,076	1,076	-	-
Tennis club	891	380	(76)	2,739	3,174
Terry I. wells scholarship	20	-	-	4,445	4,465
The trading post	-	-	(14)	14	-
Thrift store/green	1,350	182	14	-	1,182
Together as one	295	377	-	407	325
Tomahawk club	793	748	-	-	45
Tournaments	9,981	809	(9,798)	626	-
Tribal threads	4,663	6,427	1,187	577	-
UNICEF	41	-	-	-	41
Uniform replacement	-	6,502	10,549	19,671	23,718
Varsity dance club	18,208	18,187	-	4	25
Vending - staff drinks	2,866	610	(2,141)	431	546
Vending - staff snack	608	-	(601)	115	122
Vending - student drinks	2,822	-	(2,643)	125	304
Vending - student snack	1,577	-	(1,542)	161	196

Madison County School District
 Madison Central High School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Volleyball	-	8,246	8,246	-	-
Volleyball club	14,495	10,912	(4,566)	1,704	721
Wrestling	2,103	4,063	1,960	-	-
Yearbook	6,181	18,721	4,828	19,956	12,244
Total	<u>\$ 732,631</u>	<u>\$ 745,910</u>	<u>\$ -</u>	<u>\$ 368,230</u>	<u>\$ 354,951</u>

Madison County School District
Madison Central High School
Activity Fund
Schedule of Accounts Payable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Misc. Athletics	Board of Education	\$ 3,669
Baseball Club	Board of Education	4,489
Spanish Club	Madison Flowers	40
General	Wal-Mart	<u>300</u>
Total Accounts Payable		<u><u>\$ 8,498</u></u>

Madison County School District
Madison Central High School
Activity Fund
Schedule of Accounts Receivable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Baseball Club	Baseball Booster	\$ 2,518
Vending	Coke	400
Vending	Madison Vending	<u>100</u>
Total Accounts Receivable		<u><u>\$ 3,018</u></u>

Madison County School District
 Madison Southern High School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Academic team	\$ 20	\$ -	\$ -	\$ 14	\$ 34
AFJROTC	7,298	4,540	(586)	3,077	5,249
AFJROTC department	-	-	(144)	716	572
AFJROTC logistical support	2,591	3,737	730	199	(217)
Archery	24,970	23,976	(1,429)	435	-
Archery regionals	4,625	3,801	(824)	-	-
Art dept.	1,013	1,198	-	405	220
Athletic buses	5,646	20,421	14,775	-	-
Athletic department	98,655	77,242	(20,178)	763	1,998
Athletic uniforms	4,385	6,977	6,860	-	4,268
Auditorium rent	1,545	70	-	-	1,475
Band	26	-	78	47	151
Baseball	10,789	10,528	(1,776)	1,515	-
Beta club	13	168	-	533	378
Bowling	4,893	4,396	(497)	-	-
Boys basketball	-	50	(75)	125	-
Boys golf	3,300	2,631	(1,245)	576	-
Boys soccer	-	-	(12)	12	-
Boys track	1,648	1,504	(154)	10	-
Business	11,669	13,385	2,055	167	506
Charities	3,431	3,463	32	-	-
Cheerleaders	5,166	5,159	(23)	16	-
Class 2007	-	-	-	267	267
Computer lab	282	155	(50)	891	968
Craft club	-	-	-	-	-
Cross country	-	-	(2)	2	-
Culinary catering	551	800	-	349	100
District tournaments	7,676	6,584	(1,092)	-	-
Drama club	13,226	17,447	150	4,696	625

Madison County School District
 Madison Southern High School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Eagle express	1,900	50	(2,055)	253	48
Eagle graphics	4,511	1,913	668	6,496	9,762
EDF	-	35	-	397	362
F. language department	-	-	-	-	-
FCA	1,315	1,283	-	95	127
FCCLA	979	1,226	-	254	7
FEA	-	-	-	-	-
FFA	22,067	21,634	(196)	904	1,141
FFA grant	-	303	-	1,582	1,279
FMD program	1,716	1,640	-	214	290
Football	-	-	-	-	-
Freshman class	-	-	-	-	-
General	15,660	14,194	9,628	377	11,471
Girls basketball	2,535	2,607	72	-	-
Girls golf	6,102	4,504	(2,331)	733	-
Girls soccer	-	-	(32)	32	-
Girls track	-	-	-	-	-
Golf scramble	5,000	3,042	(1,958)	-	-
Greenhouse	6,472	6,384	273	4,802	5,163
Hat day	-	-	-	-	-
Homecoming	848	1,019	171	-	-
Hong Kong exchange	395	-	-	-	395
Hospitality	280	368	-	132	44
Humanities	-	-	-	-	-
I.A. club	-	-	-	-	-
Interest	93	31	(72)	17	7
Junior class	-	-	-	-	-
Key club	875	646	-	-	229
KUNA	-	-	-	-	-

Madison County School District
 Madison Southern High School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Letter jackets	8,041	7,459	(582)	-	-
Library	2,227	2,200	(47)	1,211	1,191
Middle school volleyball	-	-	-	-	-
Mock trial team	1,184	860	-	118	442
Newspaper	1,445	400	-	2,098	3,143
Parking stickers	4,445	740	(3,705)	-	-
Pep club	-	-	-	175	175
Photography	1,250	-	(1,250)	-	-
Project graduation	1,500	1,500	-	-	-
Prom	10,266	12,556	-	4,465	2,175
Reading	-	-	-	63	63
Region tournament	4,594	4,295	(299)	-	-
Renaissance	-	-	-	-	-
SADD	200	-	-	251	451
Scholarship	70	-	-	900	970
Science club	476	675	-	383	184
Science olympiad	471	465	-	-	6
Senior class	1,600	3,494	-	1,516	(378)
Social studies department	-	-	-	72	72
Softball	6,169	6,119	(50)	-	-
Sophomore class	-	-	-	-	-
Southern belles	462	603	-	141	-
Spanish club	2,703	2,614	-	-	89
Step team	-	-	-	53	53
Student council	1,336	1,240	(33)	261	324
Student Fees	36,584	37,192	(87)	4,720	4,025
Swim team	-	-	-	-	-
Tennis	750	784	(131)	165	-
Textbooks	2,253	2,253	-	-	-

Madison County School District
 Madison Southern High School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
TSA	2,951	2,170	161	464	1,406
Vending	3,483	-	(3,455)	-	28
Vending teachers workroom	1,480	1,732	116	136	-
Vo. AG. Dept.	400	-	(272)	-	128
Vocal music	13,416	8,347	(158)	6,831	11,742
Volleyball	-	-	(25)	25	-
WEG	-	-	-	-	-
Yearbook	5,164	11,145	9,056	2,406	5,481
Total	<u>\$ 399,086</u>	<u>\$ 377,954</u>	<u>\$ -</u>	<u>\$ 57,557</u>	<u>\$ 78,689</u>

Madison County School District
 Madison Southern High School
 Activity Fund
 Schedule of Accounts Payable
 June 30, 2012

Account	Description	Amount
AFJROTC logistical support	Bus reimbursement	\$ 225
Drama club	Drama work	400
Drama club	Drama work	305
AFJROTC	Meals	68
Culinary catering	Repairs	103
Project graduation	Drive 4 Perfection	1,500
Business	Reimbursement	1,951
FFA	T-shirts	132
		<hr/>
Total Accounts Payable		<u>\$ 4,684</u>

Madison County School District
 Madison Southern High School
 Activity Fund
 Schedule of Accounts Receivable
 June 30, 2012

Account	Description	Amount
Greenhouse	Flowers	\$ 100
AFJROTC logistical support	Reimbursement	2,092
Eagle graphics	Awards	1,613
Eagle graphics	Awards	550
Business	Whittaker bank	100
Drama club	Musicman - royalty	433
Athletics department	Reimbursement	2,000
Business	Drive 4 perfection	2,500
Project graduation	Drive 4 perfection	1,500
		<hr/>
Total Accounts Receivable		<u>\$ 10,888</u>

Madison County School District
 B Michael Caudill Middle
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Academic team	\$ 225	\$ 241	\$ -	\$ 42	\$ 26
Archery	-	-	-	-	-
Art club	452	312	-	290	430
Band (fundraising)	8,013	9,035	-	1,178	156
Band/Chorus	2,539	3,370	-	972	141
Baseball	-	-	-	-	-
Bluegrass conference	(197)	15,083	(197)	15,477	-
Cancer society	1,802	1,802	-	-	-
Carter caves	15,648	15,037	-	-	611
Challengers	1,628	1,844	300	17	101
Cheesecake	-	-	-	-	-
Chevy sweepstake	-	-	-	-	-
Chicago field trip	18,449	18,295	-	28	182
Chorus (fundraising)	50	532	-	793	311
Community based instruction	369	455	150	148	212
Contenders	1,819	1,727	-	9	101
Cooking club	164	53	-	-	111
FCCLA	-	22	-	22	-
Fees	4,630	4,596	52	76	162
Fishing club	-	50	-	50	-
Fuel up to play 60	2,500	1,346	-	-	1,154
General fund	52	165	-	159	46
Gladiators	1,832	2,037	300	5	100
Great american fund	23,602	13,816	(9,786)	-	-
Guatemala	-	-	-	-	-
H2O for life	70	501	-	431	-
Heroes	1,074	1,197	-	224	101
Hospitality	-	30	(33)	63	-
Kings island	-	-	-	50	50

Madison County School District
B Michael Caudill Middle School
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Ky tornado	2,010	2,010	-	-	-
Library	4,533	3,872	(120)	770	1,311
Lost textbooks	263	-	-	-	263
Mike's kids	25	50	-	75	50
National honor society	710	981	120	671	520
New york city	31,632	31,405	-	672	899
Newspaper	-	-	(52)	52	-
Pass	60	60	-	-	-
Pictures	510	1,002	(150)	672	30
Poster maker	625	734	-	207	98
QSP magazine	-	-	-	-	-
Red cross	-	-	-	-	-
Relay for life	-	-	-	-	-
Renaissance	25,111	33,828	8,186	4,136	3,605
Renaissance camp	-	-	-	-	-
Robotics	585	384	-	-	201
Spanish club	450	430	-	-	20
Spartan jackets	1,350	1,350	-	-	-
Sports	55,473	51,438	568	3,229	7,832
Staffulty renaissance	180	699	1,000	52	533
STLP	-	77	-	226	149
Teacher vending	1,695	1,833	33	709	604
Technology education	2,530	3,269	-	1,626	887
UK Childrens	300	-	-	-	300
URS grant	-	-	-	90	90
Victors	834	935	-	202	101
Volleyball	-	-	(371)	371	-
Washington, DC	40,502	40,491	-	284	295
Wizards	-	-	-	-	-

Madison County School District
 B Michael Caudill Middle School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Yearbook	9,538	8,487	-	8,099	9,150
Total	\$ 263,637	\$ 274,881	\$ -	\$ 42,177	\$ 30,933

Madison County School District
B Michael Caudill Middle School
Activity Fund
Schedule of Accounts Payable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Renaissance	Name plates	\$ 16
Renaissance	Balloons	<u>94</u>
Total Accounts Payable		<u><u>\$ 110</u></u>

Madison County School District
 B Michael Caudill Middle School
 Activity Fund
 Schedule of Accounts Receivable
 June 30, 2012

Account	Description	Amount
Sports	Supplies orderd	3342
Sports	Rental	1000
Sports	Uniforms	135
Poster maker	Poster	45
Sports	Rental	\$ 800
New york city	NSF	150
Total Accounts Receivable		<u>\$ 5,472</u>

Madison County School District
Clark-Moores Middle School
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Academic team	\$ 300	\$ 919	\$ 100	\$ 598	\$ 79
Apache tribe	-	-	-	713	713
Archery	3,471	3,580	-	1,403	1,294
Autistic walk	-	-	-	-	-
Band	14,381	14,007	-	1,096	1,470
Baseball	3,490	3,490	-	-	-
Bluegrass conference	4,653	3,868	(785)	-	-
Book fair	623	-	(698)	75	-
Boys basketball	14,711	16,591	431	3,429	1,980
Boys soccer	1,145	930	(90)	-	125
Braves stop & shop	475	305	-	-	170
Cheerleaders - blue	7,862	11,766	(695)	6,509	1,910
Cherokee tribe	-	134	-	748	614
Chippewa tribe	-	-	-	15	15
Chorus	-	316	-	709	393
Dance team	1,366	1,845	78	1,551	1,150
Dance team B	-	-	-	-	-
Drama	-	-	-	1,118	1,118
FCA	358	543	20	403	238
Fees	3,175	3,150	(25)	-	-
Football	8,071	8,302	78	454	301
FT - MCBE	3,000	888	-	3,000	5,112
General fund	3,691	5,832	1,557	22,320	21,736
Girls basketball	11,900	7,655	(30)	1,776	5,991
Girls soccer	3,564	4,391	58	1,479	710
Grade 6	1,152	1,297	-	471	326
Grade 7	810	800	-	-	10
Grade 8	1,240	1,286	-	270	224
Graduation DVD	-	-	-	-	-

Madison County School District
Clark-Moores Middle School
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Grant - Kelly	75	-	-	-	75
Gym rental	-	75	-	75	-
Hospitality	935	1,445	-	527	17
Humane society	1,113	1,119	-	6	-
Iroquois tribe	-	135	-	136	1
Leukemia foundation	-	-	-	-	-
Library misc.	5,469	6,716	117	3,061	1,931
Maps expedition	580	-	(12)	-	568
Mock trial	7,501	5,873	(1,388)	37	277
National honor society	1,539	1,593	367	665	978
Newspaper	2,195	1,908	(4)	133	416
P.E.	-	741	-	1,226	485
Pictures	1,179	-	(1,555)	679	303
Poster maker	719	650	677	-	746
PTO	1,769	2,431	325	883	546
Renaissance	35,277	38,068	(123)	12,009	9,095
Science - Chicago	11,316	11,504	(25)	1,079	866
Seminole tribe	-	-	-	-	-
Shawnee tribe	-	-	-	20	20
Social studies	-	-	-	-	-
Softball	12,449	12,848	260	7,360	7,221
Sports extra	-	284	-	284	-
St Jude	392	392	-	-	-
STLP	-	-	-	-	-
Student council	340	1,591	-	3,076	1,825
Teacher appreciation	308	766	419	39	-
Teacher vending	418	-	(418)	-	-
Teachers renaissance	1,125	1,011	-	82	196
Tornado victims	1,294	1,294	-	-	-

Madison County School District
 Clark-Moores Middle School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Track	1,215	1,795	-	685	105
Travel club	-	-	-	-	-
Travel club - 7th grade	-	-	-	-	-
Travel club - 8th grade	45,249	47,148	1,376	523	-
United way	217	150	-	-	67
Volleyball	2,847	1,607	-	2,587	3,827
Yearbook	1,319	826	(15)	2,297	2,775
Total	\$ 226,278	\$ 233,865	\$ -	\$ 85,606	\$ 78,019

Madison County School District
 Clark-Moores Middle School
 Activity Fund
 Schedule of Accounts Payable
 June 30, 2012

Account	Description	Amount
Library	American library	\$ 61
General	Bluegrass hardware	108
Mock trial	Jennie Haymond	436
Teacher renaissance	Highbridge	32
Renaissance	Krogers	112
Girls soccer	Lowe's home	32
Newspaper	MCBE	399
Renaissance	Stumps	144
		<hr/>
Total Accounts Payable		<u>\$ 1,324</u>

Madison County School District
Clark-Moores Middle School
Activity Fund
Schedule of Accounts Receivable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Pictures	Graham Photography	<u>303</u>
Total Accounts Receivable		<u>\$ 303</u>

Madison County School District
 Farristown Middle School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Academic team	\$ 610	\$ 355	\$ -	\$ -	\$ 255
Archery	6,125	3,640	10	-	2,495
Athletics	24,666	21,238	(210)	-	3,218
Band	2,634	2,633	-	-	1
Baseball	3,242	3,136	375	-	481
Box tops	4	-	-	-	4
Boys basketball	5,815	4,813	-	-	1,002
Boys soccer	1,172	623	10	-	559
Cheerleading	3,609	2,451	-	-	1,158
Chorus	3,758	3,405	-	-	353
Dance team	4,013	4,047	35	-	1
Fees	2,906	2,733	(80)	-	93
Field trips	4,576	4,411	80	-	245
Flyers roost	8,498	4,032	(3,297)	-	1,169
Football	3,804	1,779	-	-	2,025
General fund	545	5,407	(49)	4,938	27
Girls basketball	6,453	4,835	-	-	1,618
Girls soccer	1,133	511	(10)	-	612
Grade 6	2,325	2,417	92	-	-
Grade 7	1,594	570	(1,024)	-	-
Grade 8	4,290	4,561	271	-	-
Grants	500	170	-	-	330
Great american	9,361	5,690	(3,671)	-	-
Language arts dept.	-	-	-	-	-
Library	2,223	1,598	95	-	720
Math dept.	-	-	-	-	-
MSHS play tickets	876	876	-	-	-
Newspaper	8	-	-	-	8
Pictures	788	733	-	-	55

Madison County School District
 Farristown Middle School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Posters	106	-	-	-	106
Renaissance	12,581	19,635	5,670	1,747	363
Science dept.	-	-	-	-	-
Social studies dept.	-	-	-	-	-
Softball	1,748	1,745	-	-	3
Staff vending	184	271	162	-	75
Staffulty	928	805	(123)	-	-
Track	2,367	2,175	-	-	192
Travel club	36,090	37,752	1,664	-	2
Volleyball	2,579	1,660	-	-	919
Yearbook	4,255	3,435	-	-	820
Total	<u>\$ 166,366</u>	<u>\$ 154,142</u>	<u>\$ -</u>	<u>\$ 6,685</u>	<u>\$ 18,909</u>

Madison County School District
Farristown Middle School
Activity Fund
Schedule of Accounts Payable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Fees	Books	\$ 117
Fees	Book titles	<u>272</u>
Total Accounts Payable		<u><u>\$ 389</u></u>

Madison County School District
 Madison Middle School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Academic team	\$ 230	\$ 255	\$ -	\$ 40	\$ 15
Archery	10,509	7,443	-	2,075	5,141
Athletic ticket sales	22,921	21,200	(1,758)	37	-
Auditorium	-	-	-	1	1
Band	27,888	29,289	42	1,359	-
Baseball	3,938	4,037	-	99	-
Beta club	4,347	4,892	206	339	-
Bluegrass academic team	-	-	-	-	-
Book fair	2,921	2,920	-	401	402
Boys basketball	4,337	5,419	-	1,765	683
Boys soccer	87	1,499	331	3,773	2,692
Charity contribution	898	898	-	-	-
Cheerleaders	13,809	17,035	2,523	703	-
Cheerleaders - 6th grade	-	-	-	-	-
Chorus	2,536	2,800	-	594	330
Clothing closet	-	-	-	-	-
Coke machine - faculty	584	788	-	297	93
Coke machine - students	-	11	-	11	-
Columbus trip	-	84	(39)	123	-
Concessions	6,312	2,344	(3,968)	-	-
Dance team	2,586	2,777	189	2	-
Donations	200	-	-	-	200
Drama club	-	37	(338)	375	-
FCA	-	-	-	121	121
Flower & benevolence fund	175	193	-	30	12
Football	3,025	9,688	5,085	1,771	193
General	2,182	1,047	(2,495)	3,339	1,979
Gifted/talented/travel	10,608	10,631	-	23	-
Girls basketball	526	924	-	952	554

Madison County School District
 Madison Middle School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Girls soccer	87	1,169	331	2,140	1,389
Industrial technology	1,710	1,710	-	-	-
Library	834	719	-	345	460
Life skills	-	-	-	-	-
Lost books	158	158	-	-	-
Newspaper	-	-	-	-	-
PE	-	74	-	835	761
Pictures	233	238	-	5	-
PTO	-	-	-	-	-
Read 180	-	97	-	266	169
Reading	-	52	-	644	592
Renaissance	(987)	46	-	1,097	64
School shirts	-	-	-	-	-
Science club	-	28	-	28	-
Scrapbook club	-	-	-	-	-
Snack machine - faculty	-	-	-	-	-
Social studies	-	-	-	175	175
Softball	3,491	3,504	-	61	48
Special education	42	42	-	-	-
Staffulty motivation	500	500	-	-	-
STLP	-	78	-	102	24
Student fees	3,520	1,215	8	-	2,313
Team 1	1,250	1,589	-	339	-
Team 2	1,380	1,334	(115)	69	-
Team 3	2,388	2,386	(2)	-	-
Team 4	-	-	-	-	-
Team 5	-	178	-	178	-
Team 6	1,230	1,230	-	-	-
Team 7	-	-	-	-	-

Madison County School District
 Madison Middle School
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Track	4,696	4,755	-	59	-
Volleyball	1,125	771	-	600	954
Washington DC	50,271	45,114	-	129	5,286
Weg-world equestrian	-	-	-	-	-
Yearbook	3,592	2,999	-	163	756
Total	<u>\$ 196,139</u>	<u>\$ 196,197</u>	<u>\$ -</u>	<u>\$ 25,465</u>	<u>\$ 25,407</u>

Madison County School District
Madison Middle School
Activity Fund
Schedule of Accounts Receivable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Football	Returned check recover	<u>25</u>
Total Accounts Receivable		<u><u>\$ 25</u></u>

Madison County School District
Red Foley Middle School
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
6th grade	\$ 3,915	\$ 4,353	\$ 595	\$ -	\$ 157
7th grade	3,249	3,481	730	-	498
8th grade	1,805	2,123	597	-	279
Academic team	810	710	-	281	381
Archery	1,969	2,530	-	1,613	1,052
Art club	-	54	-	80	26
Athletic	6,409	5,179	(496)	3,330	4,064
Band	4,163	4,881	-	1,014	296
Baseball	7,594	7,281	882	30	1,225
Berea college donations	-	-	-	-	-
Beta club	-	-	-	-	-
Bluegrass academic	-	-	-	-	-
Boxtops	7	68	-	177	116
Boys basketball	10,460	10,195	(217)	2,628	2,676
Boys soccer	2,665	2,859	194	-	-
Boys track	1,388	1,528	100	40	-
Charity	4,471	3,567	(904)	-	-
Chorus/drama	5,672	5,377	-	178	473
Drama	-	-	-	-	-
Drill team	4,761	3,878	310	-	1,193
FCA	-	-	-	-	-
Fees	4,460	1,956	(1,500)	1,820	2,824
Field trip	-	-	-	-	-
Football	5,184	4,713	925	138	1,534
Girls basketball	12,968	10,755	(921)	-	1,292
Girls soccer	4,223	2,569	(238)	-	1,416
Girls track	4,278	5,080	-	928	126
Gym rent	735	734	-	-	1
Horse club	-	-	-	-	-

Madison County School District
Red Foley Middle School
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Hospitality	210	166	-	-	44
Interest	44	69	-	71	46
Junior varsity	4,161	3,423	142	229	1,109
Landscaping	-	-	-	-	-
Library fines	4,031	5,197	(30)	2,450	1,254
Markey center donation	-	-	-	-	-
Mike's kids	-	-	-	-	-
Newspaper	-	-	-	-	-
Operating expense	-	-	-	-	-
Payphone	-	-	-	-	-
Pom squad	-	-	-	-	-
Poster printer	352	-	210	302	864
Principal account	-	-	-	-	-
Renaissance	8,450	6,275	(100)	-	2,075
Ripples of hope	-	-	(4)	4	-
School picture	3,803	3,626	48	948	1,173
Scrapbook club	-	-	-	-	-
Softball	6,143	6,143	-	-	-
Staffulty incentives	38	38	-	-	-
Student pepsi	125	626	(25)	623	97
Student snacks	-	-	-	-	-
Teacher pepsi	632	901	-	400	131
Teacher snacks	-	-	-	-	-
Team A	-	-	(228)	228	-
Team B	-	-	(97)	97	-
Team C	-	-	(3)	3	-
Team D	-	-	-	-	-
Team E	-	-	-	-	-
Team G	-	-	-	-	-

Madison County School District
Red Foley Middle School
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Team H	-	-	(69)	69	-
Traditional music club	-	-	-	-	-
Varsity cheer	7,542	7,492	349	1,395	1,794
Volleyball	3,363	3,357	(250)	598	354
Warrior supply shop	-	-	-	-	-
Warriors who care	-	-	-	-	-
Wiseman's store	-	-	-	-	-
Yearbook	2,131	908	-	2,002	3,225
Zumba	-	-	-	-	-
Total	\$ 132,211	\$ 122,092	\$ -	\$ 21,676	\$ 31,795

Madison County School District
Daniel Boone Elementary
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
General	\$ 5,489	\$ 6,800	\$ -	\$ 1,807	\$ 496
Classroom fees	3,003	2,474	-	6,369	6,898
Interest	23	20	-	341	344
Bookfair	7,353	9,158	-	1,805	-
Lost library books	81	380	-	413	114
Chorus account	4,489	5,363	-	1,661	787
Beta club	-	-	-	372	372
Pictures	3,850	1,581	-	2,506	4,775
Archery	673	566	-	-	107
Teacher's lounge	207	-	(1,018)	842	31
Teacher's appreciation	219	500	1,018	100	837
Fifth grade graduation	1,718	1,816	-	549	451
Donations	155	-	-	231	386
Art club	366	315	-	-	51
Vickie Moody	-	-	-	92	92
Pam Davenport	-	-	-	26	26
Arts and humanities	560	-	-	272	832
Total	\$ 28,186	\$ 28,973	\$ -	\$ 17,386	\$ 16,599

Madison County School District
 Glenn R. Marshall Elementary
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
General fund	\$ 5,647	\$ 3,444	\$ (2,072)	\$ 2,480	\$ 2,611
Yearbook	4,537	4,852	-	751	436
Related arts account	234	234	-	-	-
Library account	11,400	12,465	275	1,999	1,209
Donations - lunch accounts	181	409	-	228	-
National Honor Society	1,768	1,419	(7)	186	528
Academic team	1,175	1,028	250	372	769
Special events	8,704	8,273	(45)	-	386
Field trips	9,926	9,950	-	24	-
Kindergarten pictures	217	384	-	167	-
PTO account	15,913	12,880	(5,224)	2,191	-
Archery	6,700	6,003	322	5,468	6,487
Staff vending	1,950	2,024	-	181	107
Charitable fundraising	1,379	1,386	7	-	-
Environmental club	-	-	-	-	-
STLP account	10	250	-	266	26
FRC account	780	944	-	250	86
Fundraiser account	7,835	5,546	-	-	2,289
Dance team - 3rd grade	330	330	-	-	-
Dance team	3,069	2,525	-	3,920	4,464
Spirit team	-	164	-	259	95
Fees & misc	11377	13768	6494	2964	7,067
Total	<u>\$ 93,132</u>	<u>\$ 88,278</u>	<u>\$ -</u>	<u>\$ 21,706</u>	<u>\$ 26,560</u>

Madison County School District
Glenn R. Marshall Elementary
Activity Fund
Schedule of Accounts Receivable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General fund	Graham photography	<u>\$ 1,805</u>
Total Accounts Receivable		<u><u>\$ 1,805</u></u>

Madison County School District
Kingston Elementary
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Academic team	197	79	-	-	118
Accelerated reader	10,914	12,152	-	1,294	56
American Heart Association	610	610	-	-	-
Archery	4,847	4,670	-	110	287
Calendars	12	-	-	251	263
Domino pizza cards	6,800	589	-	-	6,211
Donations	81	243	-	850	688
Fees	-	-	-	-	-
Field trip fund	7,477	9,878	-	2,843	442
Fit lab	4,664	3,700	-	3,500	4,464
General account	5,151	5,724	1,337	4,030	4,794
Gym rental	-	-	-	-	-
Haiti relief	-	-	-	-	-
Junior beta club	-	-	-	-	-
Kindergarten fun day	440	429	-	-	11
Lost books	-	2	-	2	-
Now account	11	33	-	22	-
Pictures	1,152	1,125	-	-	27
Preschool program	-	-	-	-	-
Pumpkin run registration	-	-	-	-	-
Pumpkin run shirts	-	-	-	-	-
Scholastic book fair	-	-	-	-	-
Scholastic book order	167	167	-	-	-
School to work	856	1,168	(154)	1,716	1,250
Staff appreciation	597	555	(1,337)	1,346	51
STLP	-	-	-	-	-
Student book order	-	-	-	-	-
Student fees	4,175	4,873	-	698	-
Student vending	743	562	154	-	335

Madison County School District
Kingston Elementary
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Testing shirts	1,446	1,257	-	-	189
Tornado 2012 fund	1,643	1,643	-	-	-
United way	-	-	-	-	-
Yearbook	4,431	4,839	-	3,396	2,988
Zoogle Inc.	410	410	-	-	-
Total	<u>\$ 56,824</u>	<u>\$ 54,708</u>	<u>\$ -</u>	<u>\$ 20,058</u>	<u>\$ 22,174</u>

Madison County School District
 Kirksville Elementary
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
1st grade field trips	\$ 2,498	\$ 2,498	\$ -	\$ -	\$ -
2nd grade field trips	413	413	-	-	-
3rd grade field trips	467	467	-	-	-
4th grade field trips	264	264	-	-	-
5th grade field trips	752	696	-	-	56
5th grade fund	559	559	-	-	-
Academic team	213	275	-	62	-
Annual 5th grade luncheon	30	30	-	-	-
Archery program	4,255	4,886	-	1,350	719
Bookfair	675	1,936	(144)	1,971	566
Cause donations	-	-	-	-	-
Donations	-	108	-	200	92
Fees	3,729	3,166	(232)	232	563
Field trips	-	-	-	-	-
FRC	1,289	511	-	297	1,075
General	1,032	4,656	232	7,945	4,553
Girls on the run	533	533	-	-	-
Jump rope/hoops for hear	900	900	-	-	-
Junior beta club	-	-	-	-	-
Kindergarten field trips	495	495	-	-	-
Kirksville FCA	1,758	1,593	-	83	248
K-pictures	301	230	-	271	342
Miscellaneous	2,306	2,056	(424)	648	474
Pennies for plants	-	-	-	-	-
Pictures	3,289	4,491	-	1,203	1
Pumpkin run	120	110	-	15	25
Relay for life	-	-	-	10	10
School fundraiser	12,012	12,660	424	225	1

Madison County School District
 Kirksville Elementary
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
Science lab	-	86	-	86	-
Snack machine	68	-	-	307	375
Staff flower fund	-	170	-	170	-
Staff pepsi machine	522	1,616	-	1,344	250
STLP	-	-	-	145	145
Student fee	-	-	-	-	-
Wetlands project	-	-	-	257	257
Yearbook	3,568	3,554	144	752	910
Total	<u>\$ 42,048</u>	<u>\$ 48,959</u>	<u>\$ -</u>	<u>\$ 17,573</u>	<u>\$ 10,662</u>

Madison County School District
 Kit Carson Elementary
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
Accelerated reader	\$ -	\$ 192	\$ -	\$ 334	\$ 142
Classroom fees	4,158	4,158	-	-	-
General funds	41,601	40,343	-	7,256	8,514
Lost books, CUTTS	-	-	-	12	12
Lost library books	76	-	-	1,254	1,330
School store	-	-	-	-	-
Staff vending/pepsi-coke	307	730	-	1,345	922
Yearbook	-	-	-	-	-
Total	<u>\$ 46,142</u>	<u>\$ 45,423</u>	<u>\$ -</u>	<u>\$ 10,201</u>	<u>\$ 10,920</u>

Madison County School District
Kit Carson Elementary
Activity Fund
Schedule of Accounts Payable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General fund	Madison Co. Board of Education	<u>1,948</u>
Total Accounts Payable		<u>\$ 1,948</u>

Madison County School District
 Mayfield Elementary
 Activity Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
Book fair	\$ 3,020	\$ 3,071	\$ -	\$ 3,542	\$ 3,491
Box tops for education	-	-	-	-	-
Chorus	762	835	-	85	12
Culture/climate	-	-	-	-	-
General fund	8,868	11,447	3,870	2,247	3,538
Haiti connection	-	-	-	-	-
Hoops for heart	-	-	-	-	-
Mike's kids campaign	-	-	-	400	400
Modern woodman	-	-	(13)	13	-
Operating expense	-	-	-	-	-
Paper/pencil vending	69	81	-	319	307
Project greenhouse	1,000	-	-	89	1,089
Staff courtesy	458	487	(356)	385	-
Staff snack vending	213	280	356	-	289
Student pictures	1,430	-	(3,857)	2,427	-
Valentine grams	1,204	1,200	-	-	4
Total	<u>\$ 17,024</u>	<u>\$ 17,401</u>	<u>\$ -</u>	<u>\$ 9,507</u>	<u>\$ 9,130</u>

Madison County School District
Mayfield Elementary
Activity Fund
Schedule of Accounts Payable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General fund	Jostens	<u>181</u>
Total Accounts Payable		<u>\$ 181</u>

Madison County School District
Mayfield Elementary
Activity Fund
Schedule of Accounts Receivable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Staff vending	Commission	\$ 42
Book fair	Lost book	<u>25</u>
Total Accounts Receivable		<u><u>\$ 67</u></u>

Madison County School District
Shannon Johnson Elementary
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
Academic team	\$ 480	\$ 612	\$ -	\$ 133	\$ 1
Book fair	10,763	10,692	-	122	193
Care committee	465	517	-	602	550
Charitable fundraiser	3,264	3,264	-	-	-
Classroom fees	1,827	1,827	-	-	-
Donations	1,500	1,399	(4)	348	445
FCA	-	-	-	-	-
Fees	1,295	1,235	(60)	-	-
Field trips	12,672	12,083	-	-	589
Fit kids camp	-	-	-	-	-
General	-	237	-	670	433
Hawks landing	2,657	1,960	-	-	697
Interest	23	-	-	97	120
Jump rope for heart	-	-	-	-	-
Junior beta club	1,018	1,085	-	180	113
Lost library books	146	268	-	271	149
Miscellaneous	11,963	15,340	64	10,122	6,809
Movin groovin hawks	252	308	-	96	40
NASP	1,057	2,124	-	1,538	471
Pictures	3,294	1,017	-	629	2,906
Pumpkin run	195	195	-	-	-
STLP	129	302	-	252	79
Student vending	13	175	-	304	142
Teachers lounge	103	258	-	221	66
Yearbook	4,580	5,115	-	2,725	2,190
Total	\$ 57,696	\$ 60,013	\$ -	\$ 18,310	\$ 15,993

Madison County School District
Shannon Johnson Elementary
Activity Fund
Schedule of Accounts Payable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Fit kids camp	Berea citizen	<u>\$ 30</u>
Total Accounts Payable		<u><u>\$ 30</u></u>

Madison County School District
Silver Creek Elementary
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
Academic team	\$ 677	\$ 533	\$ -	\$ -	\$ 144
Adult vending	1,003	799	-	85	289
Archery program	2,986	2,934	-	339	391
Country dancers	760	693	-	135	202
Family resource center	250	-	-	-	250
Field trips	11,334	11,394	-	731	671
General fund	9,251	8,761	-	17,267	17,757
Grants	750	731	-	-	19
Gym rental	-	-	-	-	-
Kiwanis	250	250	-	365	365
Operating expense	-	174	-	956	782
Pumpkin run	170	158	-	75	87
Service projects	1,431	1,351	-	288	368
Student fees	3,381	3,381	-	-	-
Wellness	2,750	-	-	750	3,500
Yearbook	3,065	3,698	-	3,682	3,049
Total	<u>\$ 38,058</u>	<u>\$ 34,857</u>	<u>\$ -</u>	<u>\$ 24,673</u>	<u>\$ 27,874</u>

Madison County School District
Silver Creek Elementary
Activity Fund
Schedule of Accounts Payable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Adult Vending	Wedding shower supplies	<u>61</u>
Total Accounts Payable		<u>\$ 61</u>

Madison County School District
Silver Creek Elementary
Activity Fund
Schedule of Accounts Receivable
June 30, 2012

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General	Poster machine	<u>\$ 3,498</u>
Total Accounts Receivable		<u><u>\$ 3,498</u></u>

Madison County School District
Waco Elementary
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
Academic team	\$ -	\$ -	\$ -	\$ -	\$ -
Archery team	-	10	-	10	-
Donations	1,568	631	-	455	1,392
ESS	-	308	-	701	393
FCA	-	-	-	5	5
Fees	3,003	2,825	(178)	-	-
Fieldtrip fund	2,660	2,565	-	1,196	1,291
General	1,777	2,173	587	1,971	2,162
Gym rental	629	1,410	-	849	68
Interest	56	-	-	787	843
Library/bookfair	10,660	9,129	(139)	1,678	3,070
Line dance team	-	-	-	-	-
Lost books	-	-	-	-	-
Miscellaneous	11,096	10,723	(409)	36	-
Pictures	3,626	1,154	-	3,434	5,906
Pumpkin run	120	319	-	857	658
STLP	-	-	-	-	-
Teachers lounge vending	542	644	-	279	177
Yearbook	3,485	3,729	139	1,705	1,600
Total	\$ 39,222	\$ 35,620	\$ -	\$ 13,963	\$ 17,565

Madison County School District
White Hall Elementary
Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2012

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2011	Fund Balance June 30, 2012
General and Instructional					
4th grade art club	\$ -	\$ -	\$ -	\$ 55	\$ 55
Academic team	168	160	-	-	8
Archery club	372	369	-	-	3
Art club	5,634	5,202	-	411	843
Beta club	-	-	-	-	-
Book fair	16,506	13,602	-	4,902	7,806
Box tops	4,636	83	(3,875)	21	699
Donation - leukemia & lym	-	-	-	-	-
Donations	569	912	-	1,073	730
Fees	5,641	5,640	-	-	1
Field trip assistance	2,615	2,513	-	-	102
General	5,313	3,361	(70)	26,519	28,401
Green club	1,032	1,086	(7)	61	-
Hoops for heart	819	819	-	-	-
Interest	72	-	-	7,016	7,088
Lolly grams	-	-	-	7	7
Lost books	328	-	-	318	646
Make a wish	1,108	1,108	-	-	-
Miscellaneous	15,794	19,675	3,952	5,831	5,902
Music	1,050	796	-	17	271
Operating expenses	-	-	-	-	-
Red cross	-	-	-	-	-
Renaissance	248	1,241	-	2,223	1,230
STLP	200	180	-	-	20
Teacher's lounge	837	1,312	-	670	195
Yearbook	9,140	10,470	-	3,278	1,948
Total	\$ 72,082	\$ 68,529	\$ -	\$ 52,402	\$ 55,955

Madison County School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/ Program Title	Federal CFDA Number	Grant ID Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed Through the Kentucky Department of Education			
Child Nutrition Cluster:			
School Breakfast Program - 2011	10.553	7760005-11	\$ 155,309
School Breakfast Program - 2012	10.553	7760005-12	655,294
National School Lunch Program - 2011	10.555	7760005-11	437,315
National School Lunch Program - 2012	10.555	7760005-12	1,766,140
Summer Food Service Program for Children - 2011	10.559	7760005-11	59,625
Total Child Nutrition Cluster			<u>3,073,683</u>
Passed through the Kentucky Department of Agriculture			
Fresh Fruit and Vegetable Program - 2011	10.582	7720012-11	4,833
Fresh Fruit and Vegetable Program - 2012	10.582	7720012-12	<u>13,853</u>
Total U.S. Department of Agriculture			<u>3,092,369</u>
<u>U.S. Department of Education</u>			
Passed Through the Kentucky Department of Education			
Special Education Cluster:			
IDEA - Basic - 2011	84.027	3810002-11	31,647
IDEA - Basic - 2012	84.027	3810002-12	2,105,949
IDEA- Preschool - 2011	84.173	3810002-11	4,887
IDEA- Preschool - 2012	84.173	3810002-12	113,160
IDEA- Basic - 2009 ARRA	84.391	4810002-09	21,264
IDEA- Preschool - 2009 ARRA	84.392	4800002-09	<u>25,024</u>
Total Special Education Cluster			2,301,931
Title I Cluster:			
Title I Grants to Local Educational Agencies - 2010	84.010	3100002-10	58,153
Title I Grants to Local Educational Agencies - 2011	84.010	3100002-11	682,105
Title I Grants to Local Educational Agencies - 2012	84.010	3100002-12	2,113,389
Title I Grants to Local Educational Agencies - 2009 ARRA	84.389	4100002-09	<u>96,661</u>
Total Title I Cluster			2,950,308
Education Technology State Grants Cluster			
Education Technology State Grants - 2011	84.318	3210002-11	146,908
Enhancing Education Through Technology - 2009 ARRA	84.386	3210002-09	<u>58,759</u>
Total Education Technology State Grants Cluster			205,667
Migrant Education - State Grant Programs - 2012	84.011	31100002-12	105,271
Migrant Education - State Grant Programs - 2011	84.011	31100002-11	61,949
Title I - Neglected/Delinquent - 2012	84.013	3132	13,961
Title III - 2011	84.031	3300002-11	16,213
Vocational Education - Basic Grants to States - 2010	84.048	4620932-10	2,864
Vocational Education - Basic Grants to States - 2011	84.048	4620932-11	5,435
Vocational Education - Basic Grants to States - 2012	84.048	4620932-12	91,311
Improving Teacher Quality State Grants - 2011	84.367	3230001-11	131,608
Improving Teacher Quality State Grants - 2012	84.367	3230001-12	475,340
Education Jobs Fund Grant - 2011	84.410	4411	2,180,359
Reading Recovery Grant - 2011	84.412	11R1	5,420
Reading Recovery Grant - 2012	84.412	4912	12,908
Homeless Grant - 2009 ARRA	84.387	3219	<u>3,000</u>
Total Passed Through the Kentucky Department of Education			<u>8,563,545</u>

Madison County School District
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2012

Federal Grantor/ Program Title	Federal CFDA Number	Grant ID Number	Expenditures
Direct Funding Through the Federal Government			
Gaining Early Awareness and Readiness for Undergraduate Programs - 2011	84.344	3791G	253,703
Gaining Early Awareness and Readiness for Undergraduate Programs - 2012	84.344	3792G	341,417
Total Direct Funding Through the Federal Government			<u>595,120</u>
Total U.S. Department of Education			<u>9,158,665</u>
<u>U.S. Department of Defense</u>			
ROTC - 2012	12.357	5042	125,442
Total U.S. Department of Defense			<u>125,442</u>
<u>U.S. Department of Health and Human Services</u>			
Head Start - Early Childhood Development - ARRA 2011	93.708	6551C	11,352
Total U.S. Department of Health and Human Services			<u>11,352</u>
<u>U.S. Department of Energy</u>			
School Energy Managers Program - 2011	81.041	5691	19,515
Clean School Bus USA - 2010	81.086	9310002-09	128,182
Total U.S. Department of Energy			<u>147,697</u>
<u>U.S. Department of Homeland Security</u>			
CSEPP - Bus Maintenance - 2012	97.040	025BM	147,972
CSEPP - Driver Trainer - 2012	97.040	025DT	46,357
Total U.S. Department of Homeland Security			<u>194,329</u>
<u>Appalachian Regional Commission</u>			
Kentucky Appalachian Higher Education Center	23.011	6882	5,000
Total Appalachian Regional Commission			<u>5,000</u>
Total Expenditures of Federal Awards			<u>\$ 12,734,854</u>

Madison County School District
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2012

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Madison County School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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*

To the Board Members
Madison County School District
550 South Keeneland Drive
Richmond, KY 40475

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 Madison County School District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 03, 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; the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the audit requirements prescribed by the Kentucky State Committee for School Districts Audits in *Appendix I of the Independent Auditor's Contract – State Audit Requirements*, *Appendix II of the Independent Auditor's Contract – State Audit Requirements*, and *Appendix III of the Independent Auditor's Contract – Electronic Submission*.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2012-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are 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 did not disclose any instances of noncompliance that are required to be reported under *Government Auditing Standards*. In addition, the results of our tests did not disclose any instances of material noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditors' Contract – State Audit Requirements*.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the members of the Board, management, and federal awarding agencies and pass-through entities, and the Kentucky State Committee for School District Audits and is not intended to be and should not be used by anyone other than these specified parties.

Baldwin CPAs, PLLC

Baldwin CPAs, PLLC

October 03, 2012

Independent Auditors' Report on Compliance With Requirements
That Could Have a Direct And Material Effect on Each Major Program
And on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board Members
Madison County School District
550 South Keeneland Drive
Richmond, Kentucky 40475

Compliance

We have audited the Madison County School District's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the audit requirements prescribed by the Kentucky State Committee for School Districts Audits in *Appendix I of the Independent Auditor's Contract – State Audit Requirements*, *Appendix II of the Independent Auditor's Contract – State Audit Requirements*, and *Appendix III of the Independent Auditor's Contract – Electronic Submission*. Those standards, OMB Circular A-133 and the appendices of the Independent Auditor's Contract – State Audit Requirements 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 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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Madison County School District, complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, 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 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board, management, others within the organization, federal awarding agencies and pass-through entities, and the Kentucky State Committee for School District Audits and is not intended to be and should not be used by anyone other than these specified parties.

Baldwin CPAs, PLLC

Baldwin CPAs, PLLC

October 03, 2012

Madison County School District
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2012

A. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of the Madison County School District.
2. One deficiency relating to the audit of the financial statements is reported in the 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*. We consider this deficiency to be a material weakness.
3. No instances of noncompliance material to the financial statements of the Madison County School District were disclosed during the audit.
4. No deficiencies in internal control over major federal award programs are reported in the Report On Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program And on Internal Control Over Compliance In Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal awards programs for the Madison County School District expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for the Madison County School District.
7. The programs tested as major programs included:

	<u>CFDA #</u>
Child Nutrition Cluster	10.553, 10.555 and 10.559
Education Technology State Grants Cluster	84.318 and 84.386
Gaining Early Awareness and Readiness For Undergraduate Programs	84.334
Improving Teacher Quality State Grants	84.367
Education Jobs Fund	84.410
8. The threshold for distinguishing Types A and B Programs was \$382,046.
9. The Madison County School District did not qualify to be a low risk auditee.

Madison County School District
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2012

B. Findings – Financial Statement Audit

2012-1

Criteria:

As discussed in *Standards for Internal Control in the Federal Government* published by the General Accounting Office of the United States, internal control is an integral component of an organization's management that provides reasonable assurance that an objective of reliable financial reporting is being achieved. Organizations should implement procedures to ensure this objective is achieved.

Condition:

During the audit procedures performed, instances of this objective not being completely achieved were noted.

Cause:

Due to requirements imposed by the federal government, budget restraints, and other various factors, the general fund and special revenue funds have controls and procedures in place to provide reasonable assurance that they are reported properly in relation to Generally Accepted Accounting Principles. Other funds do not always have the same controls and procedures applied. This is partly due to the fact that other funds are very restricted as to their use, as is the case with the construction fund. This fund is more project based than the general fund and does not have the same federal government guidelines as the special revenue fund.

Effect:

An adjustment was discovered by audit procedures pertaining to the construction fund. The adjustment was related to the timing of recognition of expenditures from one fiscal year to the next.

Views of responsible officials:

The District will implement procedures to assure that subsequent expenditures for the Construction Fund are reflected as accounts payable where necessary to comply with accounting principals generally accepted in the United States of America, as we do with other funds.

Madison County School District
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2012

Original Finding Number

Current Status

2011-1

This is a continuing finding in the current year.

CORRECTIVE ACTION PLAN

October 03, 2012

U.S. Department of Education

The Madison County School District respectfully submits the following corrective action plan for the year ended June 30, 2012.

Name and address of independent public accounting firm:

Baldwin CPAs, PLLC
P.O. Box 1390
Richmond, Kentucky 40476-1390

Audit period: The year ended June 30, 2012

2012-1

Material weakness: See finding 2012-1

Recommendation: The District should apply the same controls and procedures to all funds that are applied to the general and special revenue funds to ensure that all funds are reported in accordance with Generally Accepted Accounting Principles.

Action Taken: The District will begin implementing the control and procedures used for the general and special revenue funds on all funds of the District.

If the U.S. Department of Education has any questions regarding this plan, please call Debbie Frazier at 859-624-4500.

Sincerely,

Debbie Frazier

Debbie Frazier
Finance Officer

MANAGEMENT LETTER POINTS

October 3, 2012

To the Board
Madison County School District

In planning and performing our audit of the financial statements of the Madison County School District for the year ended June 30, 2012, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of two matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with 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.

12-1 Fundraising Documentation

Statement of Condition: The current fundraising approval form (F-SA-2A) is not consistently being used to document fundraising activities. Form F-SA-2B, or a replacement form containing all required information, is not consistently being used at the conclusion of each fundraiser.

Recommendation for Correction: All sponsors should be provided with, and required to use, all current fundraising forms as provided by the Red Book. Each form should be completed in its entirety at the start and end of each fund raising activity.

Management's Response: Sponsors shall submit appropriate fund raising documentation.

12-2 Multiple Receipt Forms

Statement of Condition: Various instances of multiple receipt forms (F-SA-6) not being signed and dated appropriately were identified.

Recommendation for Correction: All multiple receipt forms should be signed and dated by the individual collecting the funds.

Management's Response: Multiple receipt forms shall be completed, including appropriate signatures and dates.

Baldwin CPAs, PLLC

Baldwin CPAs, PLLC