

OLDHAM COUNTY SCHOOL DISTRICT

**BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND INDEPENDENT AUDITOR'S REPORTS**

Year Ended June 30, 2012

OLDHAM COUNTY SCHOOL DISTRICT

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THEODORE C. STILES, CPA
BENJAMIN E. CARTER, CPA
JOHN R. ASHCRAFT, CPA
J. SCOTT KISSELBAUGH, CPA
BRIAN S. WOOSLEY, CPA
CHRIS R. CARTER, CPA



STILES, CARTER & ASSOCIATES, P.S.C.

CERTIFIED PUBLIC ACCOUNTANTS

2901 RING ROAD EAST

P. O. BOX 622

ELIZABETHTOWN, KY 42702-0622

TELEPHONE 270/769-6371

FAX 270/765-7934

www.stilescartercpas.com

JON M. ANDERSON, CPA
CHERYLE L. BEAUCHAMP, CPA
WILLIAM M. DOERR, CPA
CARRIE A. GREY, CPA
LYNN C. HOWARD, CPA
PHILIP A. LOGSDON, CPA
J. ALTON PIKE, CPA

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education
Oldham County School District
Crestwood, Kentucky

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 Oldham 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 accompanying table of contents. These basic financial statements are the responsibility of the 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements prescribed by the Kentucky State Committee for School District Audits in *Appendix I of the Independent Auditor's Contract - General Audit Requirements*, *Appendix II of the Independent Auditor's Contract - State Audit Requirements*, *Appendix III of the Independent Auditor's Contract - Audit Extension Request* and *Appendix IV of the Independent Auditor's Contract - Instructions for Submission of the Audit Report*. 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 District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, 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 a report dated October 8, 2012, on our consideration of Oldham 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 and budgetary comparison information on pages 3 through 10 and 36 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oldham County School District's financial statements as a whole. The combining financial statements and school schedules are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining financial statements, school schedules 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 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 accounting standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Certified Public Accountants
October 8, 2012

REQUIRED SUPPLEMENTARY INFORMATION

**OLDHAM COUNTY SCHOOL DISTRICT – BUCKNER, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

The discussion and analysis of Oldham County School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to review the School District's financial performance as a whole; readers should also review the financial statements and notes to the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- The Oldham County Board of Education completed the 2011/2012 fiscal year (FY12) with the General Fund reflecting an unassigned fund balance of \$6.5M, which is 6.9% of the total FY12 Governmental Funds receipts (excluding on-behalf payments of \$17.1M).
- The District's total FY12 General Fund Revenues (excluding on-behalf payments) were \$69.9M and consisted of the following major sources:

SEEK	\$ 36.9M
Property Taxes	\$ 25.7M
Motor Vehicle Tax	\$ 2.9M
Utilities Tax	\$ 3.2M

- The District levied property tax rates of 68.9 cents (real estate and personal property) and 64.3 cents (motor vehicle) per \$100 of assessed value, along with a 3% utility tax. These rates were unchanged from FY11.
- The District, through the Oldham County School District Finance Corporation, issued \$5.245M of refunding bonds to refinance an outstanding 2002 School Revenue Bond issue, which resulted in a present value debt service savings of \$676,306.
- The District's major construction projects for FY12 included the completion of a new Bus Compound and a major renovation of Centerfield Elementary (which was begun at the conclusion of the FY12 school year and completed during the summer of 2012).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Oldham County School District as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school district's most significant funds with all other non-major funds presented in total in a single column. For Oldham County School District, the General Fund is the most significant fund.

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.

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting

takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the school district's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the school district has improved or diminished for the school district as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the school district's property tax base, current property tax laws in Kentucky affecting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the school district is divided into two distinct kinds of activities:

Government Activities – Most of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and other support activities.

Business-type Activity – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The school district's food service operations are reported as a business activity.

The government-wide financial statements can be found on pages 11 - 12 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. The only fiduciary funds are agency funds for student education. The only proprietary fund is our food service. All other activities of the District are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 13 - 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 - 35 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 the District, assets exceeded liabilities by \$72.9M at June 30, 2012.

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land and land improvements, buildings and improvements, infrastructure, vehicles, equipment and construction in progress), less any related debt used to acquire those assets that is 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.

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.

**Net Assets for the period ending June 30, 2012 and 2011
(Table 1)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 23,658,109	\$ 28,001,903	\$ 946,620	\$ 1,038,859	\$ 24,604,729	\$ 29,040,762
Capital Assets	<u>201,569,284</u>	<u>199,049,065</u>	<u>6,075,451</u>	<u>6,237,681</u>	<u>207,644,735</u>	<u>205,286,746</u>
Total Assets	<u>225,227,393</u>	<u>227,050,968</u>	<u>7,022,071</u>	<u>7,276,540</u>	<u>232,249,464</u>	<u>234,327,508</u>
Long-term Debt	144,877,128	150,636,686	-	-	144,877,128	150,636,686
Other Liabilities	<u>14,476,815</u>	<u>13,080,321</u>	<u>-</u>	<u>-</u>	<u>14,476,815</u>	<u>13,080,321</u>
Total Liabilities	<u>159,353,943</u>	<u>163,717,007</u>	<u>-</u>	<u>-</u>	<u>159,353,943</u>	<u>163,717,007</u>
Net Assets						
Investment in capital assets (net of debt)	51,979,864	44,172,106	6,075,451	6,237,681	58,055,315	50,409,787
Restricted	3,822,727	9,307,711	-	-	3,822,727	9,307,711
Unrestricted	<u>10,070,859</u>	<u>9,854,144</u>	<u>946,620</u>	<u>1,038,859</u>	<u>11,017,479</u>	<u>10,893,003</u>
Total Net Assets	<u>\$ 65,873,450</u>	<u>\$ 63,333,961</u>	<u>\$ 7,022,071</u>	<u>\$ 7,276,540</u>	<u>\$ 72,895,521</u>	<u>\$ 70,610,501</u>

Comments on Budget Comparisons

- The District's actual FY12 General Fund revenues and expenditures include "on-behalf" amounts (\$17.1M) which represent the value of employee health insurance, Kentucky Teachers Retirements matching and technology services provided by the state of Kentucky. In accordance with Kentucky Department of Education policy, "on-behalf" amounts are not budgeted.
- Excluding "on-behalf" revenues and expenditures, the District's FY12 General Fund Revenues totaled \$69.9M, which exceeded budgeted revenues by approximately \$275,000, while actual expenditures totaled \$74.4M, which was less than budgeted expenditures by \$5.9M due to unspent contingency.

The following Table 2 presents a summary of changes in net assets for the fiscal year ended June 30, 2012 and 2011.

(Table 2)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program revenues						
Charges for services	\$ 312,584	\$ 351,780	\$ 2,542,096	\$ 2,499,187	\$ 2,854,680	\$ 2,850,967
Operating grants and contributions	12,432,705	14,561,631	1,794,653	1,796,631	14,227,358	16,358,262
Capital grants and contributions	962,964	369,970	-	-	962,964	369,970
General revenues						
Property taxes	37,769,846	37,755,038	-	-	37,769,846	37,755,038
Motor vehicle taxes	2,899,342	2,839,689	-	-	2,899,342	2,839,689
Utility taxes	3,176,277	3,221,707	-	-	3,176,277	3,221,707
Other taxes	200,000	200,000	-	-	200,000	200,000
Investment earnings	176,764	216,428	2,697	2,356	179,461	218,784
State and formula grants	54,292,444	50,232,891	-	-	54,292,444	50,232,891
Miscellaneous	143,003	243,075	-	-	143,003	243,075
Total revenues	112,365,929	109,992,209	4,339,446	4,298,174	116,705,375	114,290,383
EXPENSES						
Program Activities						
Instruction	65,330,572	64,241,790	-	-	65,330,572	64,241,790
Student support	6,053,579	6,043,166	-	-	6,053,579	6,043,166
Instructional staff support	4,890,361	4,334,276	-	-	4,890,361	4,334,276
District administrative support	1,745,185	1,402,010	-	-	1,745,185	1,402,010
School administrative support	6,033,908	5,992,140	-	-	6,033,908	5,992,140
Business support	2,175,233	2,000,853	-	-	2,175,233	2,000,853
Plant operation and maintenance	7,478,259	8,167,696	-	-	7,478,259	8,167,696
Student transportation	9,373,439	8,484,826	-	-	9,373,439	8,484,826
Community service activities	75,441	77,882	-	-	75,441	77,882
Other	355,697	420,928	-	-	355,697	420,928
Interest costs	6,502,273	6,673,377	-	-	6,502,273	6,673,377
Business-type Activities						
Food service	-	-	4,406,408	4,264,461	4,406,408	4,264,461
Total expenses	110,013,947	107,838,944	4,406,408	4,264,461	114,420,355	112,103,405
Special item - sale of land		546,391	-	-	-	546,391
Transfers	187,507	176,191	(187,507)	(176,191)	-	-
Increase (decrease) in net assets	\$ 2,539,489	\$ 2,875,847	\$ (254,469)	\$ (142,478)	\$ 2,285,020	\$ 2,733,369

Governmental Activities

Instruction comprises 59.4% of governmental program expenses. Support services expenses make up 34.3% of government expenses. The remaining expense for community services activities, interest and other items accounts for the remaining 6.3% of total government expense.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012 the School District had \$205.4 million invested in capital assets and \$201.6 million in governmental activities. Table 4 shows fiscal year 2012 and 2011 balances.

(Table 4)
Capital Assets at June 30, 2012 and 2011
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land and improvements	\$ 14,237,924	\$ 13,742,963	\$ -	\$ -	\$ 14,237,924	\$ 13,742,963
Buildings and improvements	170,046,668	168,309,070	5,950,504	6,095,935	175,997,172	174,405,005
Infrastructure	2,231,493	1,671,863				
Technology	2,625,986	2,045,842	12	12	2,625,998	2,045,854
Vehicles	6,809,287	5,673,879	14,705	19,230	6,823,992	5,693,109
General equipment	580,318	596,262	110,230	122,504	690,548	718,766
Total	196,531,676	192,039,879	6,075,451	6,237,681	200,375,634	196,605,697
Construction in progress	5,037,608	7,009,186	-	-	5,037,608	7,009,186
Total	\$ 201,569,284	\$ 199,049,065	\$ 6,075,451	\$ 6,237,681	\$ 205,413,242	\$ 203,614,883

Table 5 shows changes in capital assets for the year ended June 30, 2012 and 2011.

Change in Capital Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 199,049,065	\$ 197,205,882	\$ 6,237,681	\$ 6,389,479	\$ 205,286,746	\$ 203,595,361
Additions	15,665,498	11,053,816	13,520	22,624	15,679,018	11,076,440
Retirements	(6,337,817)	(2,548,902)	(360)		(6,338,177)	(2,548,902)
Depreciation	(6,807,462)	(6,661,731)	(175,390)	(174,422)	(6,982,852)	(6,836,153)
Ending balance	\$ 201,569,284	\$ 199,049,065	\$ 6,075,451	\$ 6,237,681	\$ 207,644,735	\$ 205,286,746

Debt

At June 30, 2012, the School District had \$145.8 million in bonds outstanding, of this amount \$2.8 million is to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$6.8 million is due within one year. The 2002 bonds were refunded during the fiscal year.

District Challenges for the Future

Current Issues

The Oldham County School district has been one of the fastest growing school districts in Kentucky for many years. The number of students has grown over the past 18 years from 7,420 in FY94 to a district-wide enrollment of 11,810 in FY12. For the past few years, enrollment has slowed significantly, in part due to the national economic slowdown and downturn in the real estate market.

On August 27, 2012, the Oldham County Board of Education voted to adopt a school tax rate for real estate of 68.9 cents per \$100 assessed value of real estate, which was unchanged from FY12. With real estate values decreasing in the county by approximately \$28M for FY13, the tax rate will generate almost \$200,000 less in local revenues.

The state's funding mechanism, Support Education Excellence in Kentucky (SEEK) has decreased the base funding for FY13 to \$3,833 per student from \$3,903 in FY12. State support for Professional Development, Textbooks, Extended School Services and Safe Schools continues to decrease along with various categorical grant program funding. These funding cuts, combined with increased operating costs, continue to require school districts to use their General Fund local revenue and contingency fund to meet these budgetary expenditures.

Although the District has seen a reduction in State and Federal Funding, Oldham County Schools continue to be among the top academic districts in Kentucky with an average Junior ACT score of 21.3 as reported in the most recently issued Legislative Research Commission, Office of Education Accountability report.

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 overall budget. By law, the budget must have a minimum of 2% contingency. The district adopted a budget for FY13 with a 3.97% contingency. Significant Board action that impacts the finances includes pay increases for all employees, additional spending for facility repairs outside of bonded building and renovation projects, and continued funding of Board initiatives.

Increase in end-of-year fund balance and related reserves will be used to help offset further state budget reductions in SEEK funding and grant programs. In addition, the General Fund balances carried forward will be critical to withstanding future difficult economic changes which will likely result from:

- Flat or shrinking revenues that reduce future allocations to school districts, likely to occur for several more years.
- Small or zero rates of growth from property tax values within the district based on property assessments which remain constant with little new growth. These changes will limit future district growth in local tax revenues.
- The unfunded mandates that continue to be required by state and federal governments.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to reflect the school district's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Superintendent William A. Wells or Finance Officer Randy E. Davis at (502) 241-3500 or by mail to Oldham County Public Schools, 6165 W. Highway 146; Crestwood, KY 40014.

BASIC FINANCIAL STATEMENTS

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012

Assets	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>Current Assets</u>			
Cash and cash equivalents	\$ 19,312,841	\$ 786,657	\$ 20,099,498
Inventory		159,203	159,203
Accounts Receivable		760	760
Receivables:			
Taxes-current	472,061		472,061
Taxes-delinquent	44,519		44,519
Other receivables	295,798		295,798
Intergovernmental-State	21,551		21,551
Intergovernmental-Indirect Federal	1,200,834		1,200,834
Total Current Assets	21,347,604	946,620	22,294,224
<u>Noncurrent Assets</u>			
Bond discount and expense	818,828		818,828
Deferred amount on refunding	1,491,677		1,491,677
Capital assets, net of accumulated depreciation	201,569,284	6,075,451	207,644,735
Total Noncurrent Assets	203,879,789	6,075,451	209,955,240
Total Assets	225,227,393	7,022,071	232,249,464
Liabilities			
<u>Current Liabilities</u>			
Accounts payable	2,884,145		2,884,145
Accrued liabilities	1,571,959		1,571,959
Deferred revenue	436,874		436,874
Current portion of bond obligations	6,785,000		6,785,000
Current portion of capital lease obligations	913,973		913,973
Current portion of accrued sick leave	348,332		348,332
Interest payable	1,536,532		1,536,532
Total Current Liabilities	14,476,815	-	14,476,815
<u>Noncurrent Liabilities</u>			
Noncurrent portion of bond obligations	139,045,000		139,045,000
Noncurrent portion of capital lease obligations	5,155,952		5,155,952
Noncurrent portion of accrued sick leave	676,176		676,176
Total Noncurrent Liabilities	144,877,128	-	144,877,128
Total Liabilities	159,353,943	-	159,353,943
<u>Net Assets</u>			
Invested in capital assets, net of related debt	51,979,864	6,075,451	58,055,315
Restricted for:			
Debt service	1,492,391		1,492,391
Capital projects	1,703,099		1,703,099
Grants	114,983		114,983
Other	512,254		512,254
Unrestricted	10,070,859	946,620	11,017,479
Total Net Assets	\$ 65,873,450	\$ 7,022,071	\$ 72,895,521

See accompanying notes to financial statements.

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Instruction	\$ 65,330,572	\$ 155,797	\$ 9,834,105	\$ 593,000	\$ (54,747,670)	\$ -	\$ (54,747,670)
Support services:							
Student	6,053,579		1,244,250		(4,809,329)		(4,809,329)
Instruction staff	4,890,361		1,200,709		(3,689,652)		(3,689,652)
District administrative	1,745,185				(1,745,185)		(1,745,185)
School administrative	6,033,908				(6,033,908)		(6,033,908)
Business	2,175,233				(2,175,233)		(2,175,233)
Plant operation and maintenance	7,478,259		31,857		(7,446,402)		(7,446,402)
Student transportation	9,373,439	156,787	38,910		(9,177,742)		(9,177,742)
Community service activities	75,441		74,874		(567)		(567)
Other	355,697		8,000		(347,697)		(347,697)
Interest on long-term debt	6,502,273			369,964	(6,132,309)		(6,132,309)
Total Governmental Activities	110,013,947	312,584	12,432,705	962,964	(96,305,694)	-	(96,305,694)
Business-Type Activities:							
Food service	4,406,408	2,542,096	1,794,653			(69,659)	(69,659)
Total Business-Type Activities	4,406,408	2,542,096	1,794,653	-	-	(69,659)	(69,659)
Total Primary Government	\$ 114,420,355	\$ 2,854,680	\$ 14,227,358	\$ 962,964	(96,305,694)	(69,659)	(96,375,353)
			General Revenues:				
			Taxes:				
			Property taxes	37,769,846			37,769,846
			Motor vehicle taxes	2,899,342			2,899,342
			Utility taxes	3,176,277			3,176,277
			Other taxes	200,000			200,000
			Investment earnings	176,764	2,697		179,461
			State and formula grants	54,292,444			54,292,444
			Miscellaneous	143,003			143,003
			Total general revenues	98,657,676	2,697		98,660,373
			Transfers	187,507	(187,507)		-
			Change in net assets	2,539,489	(254,469)		2,285,020
			Net assets - beginning	63,333,961	7,276,540		70,610,501
			Net assets - ending	\$ 65,873,450	\$ 7,022,071		\$ 72,895,521

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

OLDHAM COUNTY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2012

	General Fund	Special Revenue	FSPK Fund	Construction Fund	Debt Service Fund	Nonmajor Fund - Capital Outlay	Total Governmental Funds
Assets:							
Cash and cash equivalents	\$ 12,308,373	\$ -	\$ 2,727,799	\$ 3,051,354	\$ 1,492,391	\$ 608,616	\$ 20,188,533
Receivables:							
Taxes - current	472,061						472,061
Taxes - delinquent	44,519						44,519
Other receivables	283,719	12,079					295,798
Intergovernmental - State		21,551					21,551
Intergovernmental - Indirect Federal		1,200,834					1,200,834
Total Assets	<u>\$ 13,108,672</u>	<u>\$ 1,234,464</u>	<u>\$ 2,727,799</u>	<u>\$ 3,051,354</u>	<u>\$ 1,492,391</u>	<u>\$ 608,616</u>	<u>\$ 22,223,296</u>
Liabilities and Fund Balances:							
Liabilities							
Cash overdraft	\$ -	\$ 875,692	\$ -	\$ -	\$ -	\$ -	\$ 875,692
Accounts payable	219,914	4,698	636,352	2,023,181			2,884,145
Accrued liabilities	1,571,959						1,571,959
Deferred revenue	200,000	236,874					436,874
Total Liabilities	1,991,873	1,117,264	636,352	2,023,181	-	-	5,768,670
Fund Balances							
Restricted	512,254	114,983	1,703,099		1,492,391		3,822,727
Committed	1,150,000						1,150,000
Assigned	2,933,494	2,217	388,348	1,028,173		608,616	4,960,848
Unassigned	6,521,051						6,521,051
Total Fund Balances	<u>11,116,799</u>	<u>117,200</u>	<u>2,091,447</u>	<u>1,028,173</u>	<u>1,492,391</u>	<u>608,616</u>	<u>16,454,626</u>
Total Liabilities and Fund Balances	<u>\$ 13,108,672</u>	<u>\$ 1,234,464</u>	<u>\$ 2,727,799</u>	<u>\$ 3,051,354</u>	<u>\$ 1,492,391</u>	<u>\$ 608,616</u>	<u>\$ 22,223,296</u>

See accompanying notes to financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS**

June 30, 2012

Total fund balance per fund financial statements	\$ 16,454,626
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.	201,569,287
Certain liabilities are not reported in this fund financial statement because because they are not due and payable, but they are presented in the statement of net assets:	
Bonds payable	(145,830,000)
Bond discount and expense	818,828
Deferred amount on refunding	1,491,677
Capital lease obligations	(6,069,928)
Interest payable	(1,536,532)
Accrued sick leave	(1,024,508)
	<hr/>
Net assets for governmental activities	<u>\$ 65,873,450</u>

See accompanying notes to financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2012

	General Fund	Special Revenue	FSPK Fund	Construction Fund	Debt Service Fund	Nonmajor Fund - Capital Outlay	Total Governmental Funds
Revenues:							
From local sources:							
Taxes:							
Property	\$ 25,705,709	\$ -	\$ 12,064,137	\$ -	\$ -	\$ -	\$ 37,769,846
Motor vehicle	2,899,342						2,899,342
Utilities	3,176,277						3,176,277
Other	200,000						200,000
Earnings on investments	163,822				12,942		176,764
Other local revenues	455,587	720,781					1,176,368
Intergovernmental - State	54,292,444	1,818,569	2,712,782		369,964	1,091,001	60,284,760
Intergovernmental - Indirect Federal	131,293	5,319,901					5,451,194
Intergovernmental - Direct Federal		638,381					638,381
Total Revenues	87,024,474	8,497,632	14,776,919	-	382,906	1,091,001	111,772,932
Expenditures:							
Instruction	55,654,233	5,999,294					61,653,527
Support services:							
Student	4,788,886	1,244,250					6,033,136
Instruction staff	3,686,497	1,200,709					4,887,206
District administrative	1,433,353		181,967				1,615,320
School administrative	6,030,235						6,030,235
Business	2,174,414						2,174,414
Plant operation and maintenance	7,861,883	31,857				334	7,894,074
Student transportation	8,748,622	38,910					8,787,532
Facilities acquisition and construction			4,900	5,626,462		231,948	5,863,310
Community service activities		74,874					74,874
Other	1,149,812	8,000					1,157,812
Bond issue costs					50,830		50,830
Debt service:							
Principal					6,530,000		6,530,000
Interest					6,232,930		6,232,930
Total Expenditures	91,527,935	8,597,894	186,867	5,626,462	12,813,760	232,282	118,985,200
Excess (Deficit) of Revenues over Expenditures	(4,503,461)	(100,262)	14,590,052	(5,626,462)	(12,430,854)	858,719	(7,212,268)
Other Financing Sources (Uses):							
Proceeds from disposal of capital assets	35,826						35,826
Bond proceeds					5,245,000		5,245,000
Payments to refunded bond escrow agent					(5,151,675)		(5,151,675)
Bond discount					(38,110)		(38,110)
Capital lease proceeds	1,702,067						1,702,067
Transfers in	1,639,610	135,811		152,505	12,391,377		14,319,303
Transfers out	(135,811)		(12,543,882)	(1,202,000)		(250,103)	(14,131,796)
Total Other Financing Sources (Uses)	3,241,692	135,811	(12,543,882)	(1,049,495)	12,446,592	(250,103)	1,980,615
Net Change in Fund Balances	(1,261,769)	35,549	2,046,170	(6,675,957)	15,738	608,616	(5,231,653)
Fund Balance, July 1, 2011	12,378,568	81,651	45,277	7,704,130	1,476,653	-	21,686,279
Fund Balance, June 30, 2012	\$ 11,116,799	\$ 117,200	\$ 2,091,447	\$ 1,028,173	\$ 1,492,391	\$ 608,616	\$ 16,454,626

See accompanying notes to financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Year Ended June 30, 2012

Net change in total fund balances per fund financial statements	\$ (5,231,653)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year.	1,913,111
The proceeds for the issuance of bonds and leases provide current financial resources and are reported in this fund financial statement but they are presented as liabilities in the statement of net assets.	(6,858,127)
Bond and capital lease payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net assets.	12,426,361
In the statement of activities, only the gain (loss) on disposal of fixed assets is reported, whereas in the governmental funds, the proceeds for the disposal increased financial resources.	(342,063)
Donations of capital assets are not recorded in this fund financial statement but are recognized in the statement of activities.	593,000
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.	<u>38,860</u>
Change in net assets of governmental activities	<u>\$ 2,539,489</u>

See accompanying notes to financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2012

	<u>Food Service Fund</u>
Assets	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 786,657
Inventory	159,203
Accounts receivable	760
Total Current Assets	<u>946,620</u>
<u>Noncurrent Assets</u>	
Capital assets, net of accumulated depreciation	<u>6,075,451</u>
Total Noncurrent Assets	<u>6,075,451</u>
Total Assets	<u>7,022,071</u>
Liabilities	
<u>Current Liabilities</u>	
Accounts payable	<u>-</u>
Total Current Liabilities	<u>-</u>
<u>Net Assets</u>	
Invested in capital assets, net of related debt	6,075,451
Unrestricted	946,620
Total Net Assets	<u><u>\$ 7,022,071</u></u>

See accompanying notes to financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

Year Ended June 30, 2012

	Food Service Fund
Operating Revenues	
Lunchroom sales	\$ 2,488,876
Other	53,220
Total Operating Revenues	<u>2,542,096</u>
Operating Expenses	
Salaries and wages	2,003,267
Materials and supplies	1,943,697
Depreciation	175,390
Other operating expenses	283,694
Total Operating Expenses	<u>4,406,048</u>
Operating (loss)	<u>(1,863,952)</u>
Non-Operating Revenues (Expenses)	
Federal grants	1,308,301
Donated commodities	211,531
State grants	38,110
State on-behalf payments	236,711
Interest income	2,697
Loss on disposal of fixed assets	(360)
Total Non-Operating Revenues (Expenses) Before Transfers	1,796,990
Transfers out	<u>(187,507)</u>
Change in net assets	(254,469)
Net Assets, July 1, 2011	<u>7,276,540</u>
Net Assets, June 30, 2012	<u>\$ 7,022,071</u>

See accompanying notes to financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2012

	Food Service Fund
Cash Flows from Operating Activities	
Cash received from:	
Lunchroom sales	\$ 2,488,116
Other activities	53,220
Cash paid to/for:	
Employees	(1,766,556)
Supplies	(1,728,610)
Other activities	(283,694)
	<u>(1,237,524)</u>
Net Cash Used by Operating Activities	(1,237,524)
Cash flows from Non-Capital Financing Activities	
Federal grants	1,319,940
State grants	38,110
Transfers to other funds	(194,848)
	<u>1,163,202</u>
Net Cash Provided by Non-Capital Financing Activities	1,163,202
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(13,521)
Cash Flows from Investing Activities	
Receipt of interest income	2,697
	<u>2,697</u>
Net Cash Provided by Investing Activities	2,697
Net decrease in cash and cash equivalents	(85,146)
Balances, beginning of year	<u>871,803</u>
Balances, end of year	<u>\$ 786,657</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (1,863,952)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	175,390
Donated commodities	211,531
State on-behalf payments	236,711
Change in assets and liabilities:	
Accounts receivable	(760)
Inventory	3,556
	<u>3,556</u>
Net Cash Used by Operating Activities	<u>\$ (1,237,524)</u>
Schedule of non-cash transactions	
Donated commodities received from federal government	<u>\$ 211,531</u>
State on-behalf payments	<u>\$ 236,711</u>
Capital assets written off	<u>\$ 360</u>

See accompanying notes to financial statements.

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

June 30, 2012

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 3,390,132
Accounts receivable	<u>81,266</u>
Total Assets	<u><u>\$ 3,471,398</u></u>
Liabilities	
Accounts payable	\$ 296,871
Due to student groups	<u>3,174,527</u>
Total Liabilities	<u><u>\$ 3,471,398</u></u>

See accompanying notes to financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Oldham County Board of Education ("Board"), a five-member group, is the level of government, which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Oldham County School District ("District"). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. 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. As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the District has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Oldham County School 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:

Oldham County Board of Education Finance Corporation – On October 19, 1988, the Board of Education resolved to authorize the establishment of the Oldham 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 for the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors. The Corporation is blended into the District's financial statements.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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 fund balances. Proprietary funds are reported using the economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases and decreases in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are also reported using the economic resources measurement focus.

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 fund balances are considered as resources available for use. This is a major fund.
- (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.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- (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) 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.
 - 2. The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan. This is a major fund.
 - 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.
 - (D) The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Kentucky Law. This is a major fund.
- II. Proprietary Fund Types (Enterprise Fund)
- The Food Service Fund is used to account for school food service activities, including the National School Lunch and Breakfast Programs, which are 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.
- III. Fiduciary Fund Type (Agency Fund)
- The Agency Fund accounts for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the Uniform Program of Accounting for School Activity Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

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

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 resources 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.

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 Tax Revenues – Property taxes are normally levied each September on the assessed value listed as of the prior January 1, for all real and personal property in the county. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax bill mailing. Property taxes collected are recorded as revenues in the fiscal year for which they were levied. All taxes collected are initially deposited into the General Fund and then transferred to the appropriate fund. The usual collection date is the period from November 1 through December 31. Property tax bills paid prior to December 1 received a two percent discount. Property taxes received after December 31, are considered to be delinquent and the County Attorney can file a lien against the property.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Taxes - continued

The property tax rates assessed for the year ended June 30, 2012, to finance operations were \$.689 per \$100 valuation for real property, \$.689 per \$100 valuation for business personal property and \$.643 per \$100 valuation for motor vehicles.

The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the county, of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial and mixed gas.

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	25-50 years
Technology equipment	5 years
Vehicles	5-10 years
General equipment	5-15 years
Food service equipment	5-12 years

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.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgetary Process

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. All budget appropriations lapse at year-end.

Encumbrances

Encumbrances are not liabilities and, therefore, are not reported as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are reappropriated in the next year.

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.

The food service fund uses the specific identification method and the general fund uses the first-in, first-out method.

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. There were no prepaid assets at June 30, 2012.

Receivables

The District recognizes revenues as receivable when they are measurable and receipt is probable. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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. The policy is to apply restricted resources first when an expense is incurred for with both restricted and unrestricted net assets are available.

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.

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.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE B – 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.

NOTE C – FUND BALANCES

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2012, the District had \$512,254 restricted in the general fund for sick leave, \$114,983 restricted for grants in the special revenue fund, \$1,703,099 restricted for capital projects in the FSPK fund and \$1,492,391 restricted for debt service in the debt service fund.

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which, for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The District had \$1,150,000 committed for future construction at June 30, 2012.

Assigned fund balances are those amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The Board of Education allows program supervisors to complete purchase orders which result in the encumbrance of funds. The amount assigned related to encumbrances at June 30, 2012, was \$2,933,494 recorded in the general fund, \$2,217 in the special revenue fund \$388,348 in the FSPK fund, \$1,028,173 in the construction fund and \$608,816 in the capital outlay fund. Assigned fund balance also includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

NOTE D – DEPOSITS

DEPOSITS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities. At June 30, 2012, \$22,765,898 of the District's bank balance of \$24,758,287 was exposed to custodial credit risk. The bank balance not covered by depository insurance was collateralized by securities held by the pledging financial institution.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE E – CAPITAL ASSETS

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

Governmental Activities	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Non-Depreciable Assets:				
Land	\$ 11,091,870	\$ 593,000	\$ -	\$ 11,684,870
Construction in progress	7,009,186	4,024,172	(5,995,750)	5,037,608
Depreciable Assets:				
Land improvements	3,411,085	20,090		3,431,175
Buildings and improvements	212,970,803	6,299,156		219,269,959
Infrastructure	1,996,935	1,030,865	(332,870)	2,694,930
Technology equipment	7,087,170	1,481,486	(357,695)	8,210,961
Vehicles	14,216,938	2,137,238	(819,439)	15,534,737
General equipment	2,130,868	79,491	(2,299)	2,208,060
Totals at historical cost	259,914,855	15,665,498	(7,508,053)	268,072,300
Accumulated depreciation:				
Land improvements	759,992	118,129		878,121
Buildings and improvements	44,661,733	4,561,558		49,223,291
Infrastructure	325,072	138,365		463,437
Technology equipment	5,041,328	893,353	(349,706)	5,584,975
Vehicles	8,543,059	1,001,830	(819,439)	8,725,450
General equipment	1,534,606	94,227	(1,091)	1,627,742
Total accumulated depreciation	60,865,790	6,807,462	(1,170,236)	66,503,016
Government Activities				
Capital Assets - Net	\$ 199,049,065	\$ 8,858,036	\$ (6,337,817)	\$ 201,569,284

Depreciation was charged to governmental functions as follows:

Instruction	\$ 5,496,250
Student support	20,443
Instructional staff	3,156
District administration	81,884
School administration	3,674
Business support	819
Plant	179,592
Transportation	1,021,078
Community services	566
	<u>\$ 6,807,462</u>

Business-Type Activities	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Depreciable Assets:				
Buildings and improvements	\$ 7,271,547	\$ -	\$ -	\$ 7,271,547
Technology equipment	13,549			13,549
Vehicles	22,624			22,624
General equipment	1,376,452	13,520	(6,800)	1,383,172
Totals at historical cost	8,684,172	13,520	(6,800)	8,690,892
Accumulated depreciation:				
Buildings and improvements	1,175,612	145,431		1,321,043
Technology equipment	13,537			13,537
Vehicles	3,394	4,525		7,919
General equipment	1,253,948	25,434	(6,440)	1,272,942
Total accumulated depreciation	2,446,491	175,390	(6,440)	2,615,441
Business-type Activities				
Capital Assets - Net	\$ 6,237,681	\$ (161,870)	\$ (360)	\$ 6,075,451

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE F – LONG-TERM OBLIGATIONS

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

<u>Issue</u>	<u>Proceeds</u>	<u>Rates</u>
2002	\$ 7,055,000	1.65% - 4.70%
2003	14,805,000	4.00% - 4.75%
2004	26,375,000	3.00% - 5.00%
2004B	6,435,000	2.00% - 3.75%
2007	38,630,000	4.00% - 4.75%
2007B	49,255,000	4.00% - 4.50%
2007 Refunding	7,770,000	3.50% - 3.65%
2008 Refunding	7,335,000	3.00% - 3.35%
2009 Refunding	1,900,000	1.20% - 3.00%
2010 Refunding	8,445,000	1.20% - 3.00%
2010B Refunding	3,980,000	0.50% - 2.70%
2011	3,050,000	1.00% - 4.30%
2011 Refunding	5,245,000	1.00% - 2.50%

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 Oldham County School District 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 has “participation agreements” with the Kentucky School Facilities Construction Commission. The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. The table below sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal outstanding has been recorded in the financial statements.

On December 1, 2011, the District issued \$5,245,000 in Refunding Revenue Bonds with an average interest rate of 2.26 percent to partially advance refund \$5,035,000 of outstanding 2002 Series revenue bonds. The refunding was a partial advance refunding. The net proceeds of \$5,151,674 (after \$50,830 in cost of issuance, \$38,110 in bond discount and \$4,386 of excess cash which was deposited in the bond payment fund) were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust to call the bonds on June 1, 2012.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$140,419. This difference, reported in the accompanying government-wide financial statements as a deduction from bonds payable, is being charged to operations through the year 2023 using the effective-interest method.

The District completed the refunding to reduce its total debt service payments over the next 12 years by \$764,764 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$676,306.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE F – LONG-TERM OBLIGATIONS – CONTINUED

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

Year	Principal	Interest	Participation	District's Portion
2013	\$ 6,785,000	\$ 5,936,924	\$ 369,971	\$ 12,351,953
2014	7,025,000	5,698,671	369,975	12,353,696
2015	7,265,000	5,443,091	369,985	12,338,106
2016	7,525,000	5,184,187	369,971	12,339,216
2017	7,755,000	4,898,129	324,537	12,328,592
2018-2022	43,190,000	19,830,817	1,283,079	61,737,738
2023-2027	52,915,000	9,981,423	472,540	62,423,883
2028-2031	13,370,000	428,823	13,655	13,785,168
	<u>\$ 145,830,000</u>	<u>\$ 57,402,065</u>	<u>\$ 3,573,713</u>	<u>\$ 199,658,352</u>

Accumulated Unpaid Sick Leave Benefits

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

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. 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.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE F – LONG-TERM OBLIGATIONS – CONTINUED

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 "accumulated sick leave payable" in the general fund. The noncurrent portion of the liability is not reported.

Long-term liability for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Revenue bonds payable	\$ 152,150,000	\$ 5,245,000	\$ 11,565,000	\$ 145,830,000	\$ 6,785,000
Accrued sick leave	976,528	447,847	399,867	1,024,508	348,332
	<u>\$ 153,126,528</u>	<u>\$ 5,692,847</u>	<u>\$ 11,964,867</u>	<u>\$ 146,854,508</u>	<u>\$ 7,133,332</u>

The debt service fund is primarily responsible for paying the bond obligations through funding from the capital outlay and FSPK funds. The general fund is primarily responsible for paying accrued sick leave.

NOTE G – CAPITAL LEASE PAYABLE

The following is an analysis of the leased property under capital lease by class:

<u>Class of Property</u>	
Buses	
Gross amount of assets	\$ 11,639,763
Accumulated amortization	5,846,929

During the current year, the District added 20 buses at a cost of \$1,702,067.

The following is a schedule by years of the future minimum lease payments under capital lease together with the present value of the net minimum lease payments as of June 30, 2012:

<u>Year Ending June 30,</u>	<u>Capital Lease Payable</u>
2013	\$ 1,091,133
2014	1,047,183
2015	955,614
2016	836,529
2017	806,851
2018-2022	<u>2,111,523</u>
Total minimum lease payments	6,848,833
Less: amount representing interest	<u>(778,908)</u>
Present value of net minimum lease payments	<u>\$ 6,069,925</u>

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE H – RETIREMENT PLANS

All the District's eligible employees participate in the Kentucky Teacher's Retirement System (KTRS), a statewide multiple-employer public employee retirement system covering all employees of local school districts within the State of Kentucky. KTRS is a cost sharing public employee retirement system with one exception: all risks and costs are not shared by the District but are the liability of the State of Kentucky. KTRS is funded through state and employee contributions and the District has no legal obligation for paying benefits. As discussed below, the District may be required in certain situations to make limited contributions on behalf of certain employees.

The State of Kentucky contributes 13.105% of the employee's gross earnings for employees with un-refunded accounts before July 1, 2008 and 14.105% of employee's gross earnings for employees on or after July 1, 2008, except for those District employees being paid from and participating in federally funded programs. During the years ended June 30, 2012, 2011 and 2010 contributions of \$6,254,872, \$6,070,229 and \$5,881,107 were made by the State of Kentucky and \$522,963, \$356,525 and \$296,478 in contributions were passed through the District's federally funded programs. Contributions by the employees are 10.355% of gross earnings for employees with un-refunded accounts before July 1, 2008 and 10.855% of employee's gross earnings for employees on or after July 1, 2008 and are withheld by the District. The contribution rate is actuarially determined. Such withholdings for the years ended June 30, 2012, 2011 and 2010 totaled \$5,321,602, \$4,954,376 and \$4,652,627 were paid by the District to the State of Kentucky. The District has no other liability under the plan. The District's total payroll for all employees during the years ended June 30, 2012, 2011 and 2010 was \$67,594,287, \$66,310,807 and \$63,267,352 and \$51,006,217, \$48,619,179 and \$46,906,942 of such amounts related to employees covered by the retirement plan. All payments were made to the retirement system in the amount of the annually required contributions. Additional information and historical trend information can be obtained from the separately issued Teacher Retirement System of Kentucky Comprehensive Annual Financial Report by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601. All payments were made to the retirement system in the amount of the annually required contributions.

Substantially all other employees (classified personnel) are covered under the County Employee's Retirement System (CERS). Funding for the Plan is provided through payroll withholdings of 5% for those employee participating in CERS before September 1, 2008 and 6% for those employee participating in CERS on or after September 1, 2008 and a District contribution for the years ended June 30, 2012, 2011 and 2010 of 18.96%, 16.93% and 16.16% of the employee's total compensation subject to contribution. The contribution rate is actuarially determined. The District's contribution requirement for CERS for the years ended June 30, 2012, 2011 and 2010 was \$3,959,171, \$3,504,349, and \$3,215,148, which consisted of \$3,111,733, \$2,707,716 and \$2,457,018 from the District and \$847,438,633, \$796,633 and \$758,130 from the employees. The total covered payroll for CERS during the years ended June 30, 2012, 2011 and 2010 was \$16,411,870, \$15,989,953 and \$15,196,717. Benefits under both plans will vary based on final compensation, years of service and other factors as fully described in the Plan documents. All payments were made to the retirement system in the amount of the annually required contributions. The County Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE H – RETIREMENT PLANS – CONTINUED

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, allows entities with little or no administrative involvement who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District therefore does not show these assets and liabilities on this financial statement.

NOTE I – COMMITMENTS AND 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. The District also has construction commitments outstanding related to various construction projects.

NOTE J – LITIGATION

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

NOTE K – 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 which includes Workers' Compensation insurance.

NOTE L – 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 purchases commercial insurance.

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.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONCLUDED

June 30, 2012

NOTE M – DEFICIT OPERATING BALANCES

There are no funds of the District that currently have a deficit fund balance. However, the following fund had operations that resulted in a current year deficit of revenues over expenditures resulting in a corresponding reduction of fund balance/net assets.

General Fund	\$ 1,261,769
Construction Fund	6,675,957
Food Service Fund	254,469

NOTE N – COBRA

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

NOTE O – TRANSFER OF FUNDS

The following transfers of funds were made during the year ended June 30, 2012:

Fund Financial Statements

From Fund	To Fund	Purpose	Amount
General	Special Revenue	Technology Match	\$ 135,811
FSPK	Debt Service	Debt Service	12,391,377
FSPK	Construction	Construction	152,505
Construction	General	Reimbursement	1,202,000
Nonmajor Governmental	General	Reimbursement	250,103
Food Service	General	Indirect Costs	187,507
			<u>\$ 14,319,303</u>

NOTE P – INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2012, there were no interfund payables.

NOTE Q – ON-BEHALF PAYMENTS

The District receives on-behalf payments from the State of Kentucky for items including retirement and insurance. The amount received for the fiscal year ended June 30, 2012, was \$17,298,293 allocated as follows:

General Fund	\$ 17,061,582	Food Service	\$236,711
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NOTE R – SUBSEQUENT EVENTS

On July 1, 2012, the District issued \$17.8 million in refunding revenue bonds to partially advance refund the 2004 bonds. On August 2012, the District issued \$13 million in refunding revenue bonds to partially advance refund the 2003 bonds. On September 1, 2012, the District issued \$6.5 million in revenue bonds for use in the Centerfield renovation.

REQUIRED SUPPLEMENTARY INFORMATION

OLDHAM COUNTY SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL**

GENERAL FUND

Year Ended June 30, 2012

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues			
From local sources:			
Taxes:			
Property	\$ 25,818,867	\$ 25,086,818	\$ 25,705,709
Motor vehicle	2,700,000	2,650,000	2,899,342
Utilities	3,300,000	3,300,000	3,176,277
Other	200,000	200,000	200,000
Earnings on investments	207,500	182,500	163,822
Other local revenues	1,109,500	1,004,500	455,587
Intergovernmental - State	33,963,376	37,204,491	54,292,444
Intergovernmental - Indirect Federal	60,000	60,000	131,293
Total Revenues	<u>67,359,243</u>	<u>69,688,309</u>	<u>87,024,474</u>
Expenditures			
Instruction	43,047,810	44,625,172	55,654,233
Support services:			
Student	3,420,195	3,420,228	4,788,886
Instruction staff	1,832,300	2,590,133	3,686,497
District administrative	1,553,860	1,385,075	1,433,353
School administrative	4,862,163	4,862,163	6,030,235
Business	1,629,722	1,794,775	2,174,414
Plant operation and maintenance	6,803,391	6,888,167	7,861,883
Student transportation	6,024,165	6,270,379	8,748,622
Other	7,820,683	8,465,743	1,149,812
Total Expenditures	<u>76,994,289</u>	<u>80,301,835</u>	<u>91,527,935</u>
Excess (Deficit) of Revenues over Expenditures	(9,635,046)	(10,613,526)	(4,503,461)
Other Financing Sources (Uses)			
Proceeds from disposal of capital assets	10,000	10,000	35,826
Capital lease proceeds			1,702,067
Transfers in			1,639,610
Transfers out	(5,000)	(142,311)	(135,811)
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>(132,311)</u>	<u>3,241,692</u>
Net Change in Fund Balances	(9,630,046)	(10,745,837)	(1,261,769)
Fund Balance, July 1, 2011	<u>9,630,046</u>	<u>10,745,837</u>	<u>12,378,568</u>
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,116,799</u>

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Both inflows and outflows are equally different in the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds by the amount of on-behalf payments of \$17,061,582.

OLDHAM COUNTY SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL**

SPECIAL REVENUE FUND

Year Ended June 30, 2012

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues			
Other local revenues	\$ 203,247	\$ 311,798	\$ 720,781
Intergovernmental - State	1,670,568	1,551,289	1,818,569
Intergovernmental - Indirect Federal	3,192,846	3,275,173	5,319,901
Intergovernmental - Direct Federal	<u>638,381</u>	<u>638,381</u>	<u>638,381</u>
Total Revenues	5,705,042	5,776,641	8,497,632
Expenditures			
Instruction	3,212,799	3,322,267	5,999,294
Support services:			
Student	1,065,028	1,168,986	1,244,250
Instruction staff	1,159,368	1,276,610	1,200,709
Plant	46,799	29,687	31,857
Student transportation	148,162	45,898	38,910
Community service activities	77,886	75,504	74,874
Other			8,000
Total Expenditures	<u>5,710,042</u>	<u>5,918,952</u>	<u>8,597,894</u>
Excess (Deficit) of Revenues over Expenditures	(5,000)	(142,311)	(100,262)
Other Financing Sources (Uses)			
Transfers in	322,817	498,882	135,811
Transfers out	<u>(317,817)</u>	<u>(356,571)</u>	
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>142,311</u>	<u>135,811</u>
Net Change in Fund Balances	-	-	35,549
Fund Balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>81,651</u>
Fund Balance, June 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 117,200</u></u>

SUPPLEMENTARY INFORMATION

OLDHAM COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

June 30, 2012

	<u>Buckner Elementary</u>	<u>Camden Elementary</u>	<u>Centerfield Elementary</u>	<u>Crestwood Elementary</u>	<u>Goshen Elementary</u>	<u>Harmony Elementary</u>
Assets						
Cash and cash equivalents	\$ 140,554	\$ 236,144	\$ 62,511	\$ 64,837	\$ 181,442	\$ 446,165
Receivables	<u>2,717</u>	<u>-</u>	<u>-</u>	<u>15,309</u>	<u>24,550</u>	<u>144</u>
Total Assets	<u>\$ 143,271</u>	<u>\$ 236,144</u>	<u>\$ 62,511</u>	<u>\$ 80,146</u>	<u>\$ 205,992</u>	<u>\$ 446,309</u>

Liabilities						
Accounts payable	\$ 18,104	\$ 2,019	\$ 31,961	\$ 5,870	\$ 34,079	\$ 4,168
Due to student groups	<u>125,167</u>	<u>234,125</u>	<u>30,550</u>	<u>74,276</u>	<u>171,913</u>	<u>442,141</u>
Total Liabilities	<u>\$ 143,271</u>	<u>\$ 236,144</u>	<u>\$ 62,511</u>	<u>\$ 80,146</u>	<u>\$ 205,992</u>	<u>\$ 446,309</u>

	<u>Kenwood Elementary</u>	<u>Lagrange Elementary</u>	<u>Liberty Elementary</u>	<u>Locust Grove Elementary</u>	<u>East Oldham Middle</u>	<u>North Oldham Middle</u>
Assets						
Cash and cash equivalents	\$ 359,913	\$ 73,236	\$ 200,092	\$ 77,571	\$ 69,867	\$ 163,621
Receivables	<u>1,180</u>	<u>3,459</u>	<u>3,807</u>	<u>5,651</u>	<u>-</u>	<u>2,029</u>
Total Assets	<u>\$ 361,093</u>	<u>\$ 76,695</u>	<u>\$ 203,899</u>	<u>\$ 83,222</u>	<u>\$ 69,867</u>	<u>\$ 165,650</u>

Liabilities						
Accounts payable	\$ 43,091	\$ 20,951	\$ 13,657	\$ 42,544	\$ 9,326	\$ 3,401
Due to student groups	<u>318,002</u>	<u>55,744</u>	<u>190,242</u>	<u>40,678</u>	<u>60,541</u>	<u>162,249</u>
Total Liabilities	<u>\$ 361,093</u>	<u>\$ 76,695</u>	<u>\$ 203,899</u>	<u>\$ 83,222</u>	<u>\$ 69,867</u>	<u>\$ 165,650</u>

	<u>Oldham Middle</u>	<u>South Oldham Middle</u>	<u>Bucker Alternative</u>	<u>North Oldham High</u>	<u>Oldham High</u>	<u>South Oldham High</u>
Assets						
Cash and cash equivalents	\$ 102,422	\$ 108,055	\$ 500	\$ 294,583	\$ 498,489	\$ 310,130
Receivables	<u>-</u>	<u>3,238</u>	<u>-</u>	<u>-</u>	<u>5,265</u>	<u>13,917</u>
Total Assets	<u>\$ 102,422</u>	<u>\$ 111,293</u>	<u>\$ 500</u>	<u>\$ 294,583</u>	<u>\$ 503,754</u>	<u>\$ 324,047</u>

Liabilities						
Accounts payable	\$ 12,917	\$ 8,347	\$ -	\$ 14,536	\$ 26,867	\$ 5,033
Due to student groups	<u>89,505</u>	<u>102,946</u>	<u>500</u>	<u>280,047</u>	<u>476,887</u>	<u>319,014</u>
Total Liabilities	<u>\$ 102,422</u>	<u>\$ 111,293</u>	<u>\$ 500</u>	<u>\$ 294,583</u>	<u>\$ 503,754</u>	<u>\$ 324,047</u>

	<u>Total Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 3,390,132
Receivables	<u>81,266</u>
Total Assets	<u>\$ 3,471,398</u>

Liabilities	
Accounts payable	\$ 296,871
Due to student groups	<u>3,174,527</u>
Total Liabilities	<u>\$ 3,471,398</u>

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

June 30, 2012

<u>SCHOOL</u>	<u>CASH BALANCES July 1, 2011</u>	<u>RECEIPTS</u>	<u>DISBURSE- MENTS</u>	<u>CASH BALANCES June 30, 2012</u>	<u>RECEIVABLES June 30, 2012</u>	<u>ACCOUNTS PAYABLE June 30, 2012</u>	<u>DUE TO STUDENT GROUPS June 30, 2012</u>
Buckner Elementary	\$ 176,613	\$ 317,990	\$ 354,049	\$ 140,554	\$ 2,717	\$ 18,104	\$ 125,167
Camden Elementary	227,275	479,852	470,983	236,144	-	2,019	234,125
Centerfield Elementary	110,131	375,068	422,688	62,511	-	31,961	30,550
Crestwood Elementary	115,867	468,226	519,257	64,836	15,309	5,870	74,275
Goshen Elementary	172,666	497,626	488,849	181,443	24,550	34,079	171,914
Harmony Elementary	370,638	688,555	613,028	446,165	144	4,168	442,141
Kenwood Elementary	285,190	673,507	598,784	359,913	1,180	43,091	318,002
Lagrange Elementary	82,559	315,972	325,295	73,236	3,459	20,951	55,744
Liberty Elementary	166,582	233,277	199,767	200,092	3,807	13,657	190,242
Locust Grove Elementary	70,040	456,455	448,924	77,571	5,651	42,544	40,678
East Oldham Middle	76,765	339,793	346,691	69,867	-	9,326	60,541
North Oldham Middle	149,836	402,610	388,825	163,621	2,029	3,401	162,249
Oldham Middle	95,403	469,559	462,540	102,422	-	12,917	89,505
South Oldham Middle	87,263	344,355	323,563	108,055	3,238	8,347	102,946
Buckner Alternative	326	1,830	1,656	500	-	-	500
North Oldham High	248,688	1,113,063	1,067,168	294,583	-	14,536	280,047
Oldham High	474,557	1,354,908	1,330,976	498,489	5,265	26,867	476,887
South Oldham High	289,575	1,070,652	1,050,097	310,130	13,917	5,033	319,014
	<u>\$ 3,199,974</u>	<u>\$9,603,298</u>	<u>\$ 9,413,140</u>	<u>\$ 3,390,132</u>	<u>\$ 81,266</u>	<u>\$ 296,871</u>	<u>\$ 3,174,527</u>

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

NORTH OLDHAM HIGH SCHOOL

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH		DISBURSE- MENTS	CASH		ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES July 1, 2011	RECEIPTS		BALANCES June 30, 2012	RECEIVABLES June 30, 2012		
Vending - Student	\$ 423	\$ 2,080	\$ 2,503	\$ -	\$ -	\$ -	\$ -
Vending - Teacher	1,726	7,131	8,397	460	-	248	212
Technology	5,181	16,987	21,342	826	-	-	826
Parking Passes	4,529	6,310	627	10,212	-	-	10,212
Locker Fees	4,252	3,748	39	7,961	-	-	7,961
Grants	6,401	8,264	13,290	1,375	-	-	1,375
Debate	-	795	795	-	-	-	-
Environmental Club	88	-	-	88	-	-	88
Broadcast	858	1,735	1,107	1,486	-	-	1,486
Textbook Fees	782	39,427	40,209	-	-	-	-
Student Fees	23	185,009	185,032	-	-	-	-
Newspaper	573	3,466	3,684	355	-	-	355
Academic Team	265	1,470	1,556	179	-	-	179
Mustang Mentors	80	45	35	90	-	-	90
Business Dept	689	-	689	-	-	-	-
General	27,864	32,490	34,693	25,661	-	1,509	24,152
Testing - AP	4,448	60,259	54,028	10,679	-	-	10,679
Testing - ACT	3,837	9,775	6,053	7,559	-	-	7,559
Testing - PSAT	41	2,854	2,772	123	-	-	123
English	434	27,993	23,388	5,039	-	-	5,039
Louisville After Nort	142	-	128	14	-	-	14
Athletics	18,477	138,515	127,390	29,602	-	3,226	26,376
Boys Basketball	24,533	36,676	36,643	24,566	-	161	24,405
Girls Basketball	256	12,466	11,817	905	-	-	905
Baseball	8,939	51,554	50,842	9,651	-	2,103	7,548
Football	-	29,372	26,561	2,811	-	-	2,811
Football - Touchdown	8,071	20,420	21,051	7,440	-	560	6,880
Boys Golf	30	6,767	6,504	293	-	-	293
Girls Golf	468	702	811	359	-	-	359
Cheerleadng	4,438	33,538	25,332	12,644	-	-	12,644
Dance Team	2,007	17,818	14,487	5,338	-	3,489	1,849
Boys Soccer	8,591	18,688	20,776	6,503	-	-	6,503
Girls Soccer	6,238	19,820	20,257	5,801	-	-	5,801
Son Cup - Girls Soccer	-	26,584	26,584	-	-	-	-
Boys Tennis	301	2,289	2,590	-	-	-	-
Girls Tennis	542	2,375	2,917	-	-	-	-
Volleyball	644	20,603	18,360	2,887	-	-	2,887
Track - Boys	6,664	7,212	11,744	2,132	-	-	2,132
Track - Girls	1,436	14,205	13,913	1,728	-	-	1,728
Cross Country - Boys	3,458	37,066	33,661	6,863	-	-	6,863
Cross Country - Girls	6,702	14,796	12,364	9,134	-	254	8,880
Swim Team	408	15,980	16,073	315	-	-	315
Wrestling	1,926	14,187	13,389	2,724	-	-	2,724
Softball	3,242	25,769	26,425	2,586	-	50	2,536
Field Hockey	1,492	9,496	10,383	605	-	-	605
LaCrosse - Boys	599	19,937	17,228	3,308	-	-	3,308
LaCrosse - Girls	-	9,320	5,930	3,390	-	302	3,088
Student Government	456	-	-	456	-	-	456
FCA	26	-	-	26	-	-	26
Men's Leadership Class	282	-	172	110	-	-	110
Female Leadership	209	-	-	209	-	-	209
Art	1,745	12,137	10,223	3,659	-	2,454	1,205
National Honor Society	1,069	2,120	2,018	1,171	-	-	1,171
Yearbook	14,753	59,512	64,120	10,145	-	-	10,145
Beta Club	1,994	1,785	2,010	1,769	-	-	1,769
Donations	13,417	24,582	13,909	24,090	-	-	24,090
Foreign Language	458	12,163	8,947	3,674	-	-	3,674
KYA/KUNA	208	21,073	20,302	979	-	-	979
Science	6,629	43,650	45,003	5,276	-	-	5,276
Photography Club	-	83	70	13	-	-	13
National Art Honor Society	-	110	33	77	-	-	77
Math Department	3,052	2,850	5,488	414	-	-	414
Speech	14	6,985	6,999	-	-	-	-
Band	633	14,127	14,685	75	-	-	75

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

NORTH OLDHAM HIGH SCHOOL

YEAR ENDED JUNE 30, 2012

<u>NAME OF ACTIVITY</u>	<u>CASH BALANCES July 1, 2011</u>	<u>RECEIPTS</u>	<u>DISBURSE- MENTS</u>	<u>CASH BALANCES June 30, 2012</u>	<u>RECEIVABLES June 30, 2012</u>	<u>ACCOUNTS PAYABLE June 30, 2012</u>	<u>DUE TO STUDENT GROUPS June 30, 2012</u>
Social Studies	3,595	10,127	3,434	10,288	-	-	10,288
Chorus	1,104	88,740	86,362	3,482	-	-	3,482
Drama	369	-	-	369	-	180	189
Media Center	1,874	4,822	5,295	1,401	-	-	1,401
Ski Club	-	1,884	1,884	-	-	-	-
Community Project	1,577	13,843	14,909	511	-	-	511
Senior Project	-	3,823	3,823	-	-	-	-
Class of 2010	3,080	-	3,080	-	-	-	-
Class of 2011	11,393	591	11,984	-	-	-	-
Class of 2012	6,952	22,355	22,869	6,438	-	-	6,438
Class of 2013	351	11,281	6,733	4,899	-	-	4,899
Class of 2014	-	5	-	5	-	-	5
Class of 2015	1,350	5	-	1,355	-	-	1,355
Sub Total	<u>\$ 248,688</u>	<u>\$ 1,374,646</u>	<u>\$ 1,328,751</u>	<u>\$ 294,583</u>	<u>\$ -</u>	<u>\$ 14,536</u>	<u>\$ 280,047</u>
Interfund Transfers		<u>261,583</u>	<u>261,583</u>				
Total	<u>\$ 248,688</u>	<u>\$ 1,113,063</u>	<u>\$ 1,067,168</u>	<u>\$ 294,583</u>	<u>\$ -</u>	<u>\$ 14,536</u>	<u>\$ 280,047</u>

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

OLDHAM COUNTY HIGH SCHOOL

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH	RECEIPTS	DISBURSE- MENTS	CASH	RECEIVABLES	ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES July 1, 2011			BALANCES June 30, 2012			
Agriculture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Art	55	6,438	6,453	40	-	40	-
Athletic General	13,347	172,184	159,142	26,389	-	10,124	16,265
Archery Club	-	190	190	-	-	-	-
Baseball	3,333	38,512	35,662	6,183	-	-	6,183
Basic Student Fee	-	184,709	184,709	-	-	-	-
Band	2,500	68,871	70,819	552	-	-	552
Boys Basketball	13,665	39,756	45,987	7,434	-	-	7,434
Girls Basketball	3,754	16,245	16,629	3,370	-	751	2,619
Beta Club	1,746	4,759	4,973	1,532	-	900	632
Bookstore	-	-	-	-	-	-	-
Business	-	623	623	-	-	-	-
Cheerleading	4,570	27,902	18,898	13,574	-	62	13,512
Choral Music	10,616	15,489	15,899	10,206	-	-	10,206
Y Club	812	38,909	38,289	1,432	-	-	1,432
Technology	-	14,733	14,733	-	-	-	-
Pep Club	200	-	197	3	-	-	3
Debate Class	-	-	-	-	-	-	-
Cross Country	4,157	12,389	9,706	6,840	-	-	6,840
Speech Team	89	-	-	89	-	-	89
Broadcast Journalism	1,547	5,157	4,570	2,134	-	-	2,134
English	4,477	14,351	13,511	5,317	-	-	5,317
Little Colonel	35,054	165,486	194,160	6,380	-	40	6,340
Textbook Supplement	-	63,229	61,170	2,059	-	-	2,059
Faculty Fund	-	607	607	-	-	-	-
Humanities	-	4,951	4,951	-	-	-	-
Football	12,871	38,377	38,988	12,260	5,265	12,206	5,319
World Language	123	16,150	16,273	-	-	-	-
Freshmen	-	962	855	107	-	-	107
FBLA	417	295	443	269	-	-	269
FFA	5,672	16,139	18,824	2,987	-	850	2,137
FCCLA	251	9,340	7,476	2,115	-	-	2,115
General	10,383	19,386	26,218	3,551	-	-	3,551
Golf	1,293	9,660	9,811	1,142	-	-	1,142
Guidance	2,100	69,178	71,072	206	-	-	206
Family/Consumer Science	3,741	4,849	5,752	2,838	-	-	2,838
National Honor Society	811	2,171	2,401	581	-	-	581
Industrial Arts	2,834	7,003	5,597	4,240	-	-	4,240
STLP Club	-	-	-	-	-	-	-
Juniors	13,250	34,632	32,677	15,205	-	-	15,205
Library	1,724	1,916	1,676	1,964	-	-	1,964
Literary Club	695	7,052	5,744	2,003	-	-	2,003
Lacrosse	94	16,209	14,005	2,298	-	-	2,298
Chess Team	-	-	-	-	-	-	-
Math	78	4,624	4,702	-	-	-	-
Physical Education	-	4,382	4,325	57	-	-	57
Sigma Sigma Gamma	1,827	10,752	9,785	2,794	-	-	2,794
ACT Prep	-	105	105	-	-	-	-
Scholarship	9,365	3,050	2,299	10,116	-	1,000	9,116
Scholastic Competition	272	1,411	1,683	-	-	-	-
School Paper	2,065	11,169	9,768	3,466	-	-	3,466
School Pictures	-	-	-	-	-	-	-
Science	1,969	23,234	17,781	7,422	-	-	7,422
Science Club	51	24,844	24,247	648	-	-	648
Seniors	9,238	39,727	38,006	10,959	-	-	10,959
Boys Soccer	2,815	10,332	9,876	3,271	-	-	3,271
Girls Soccer	1,250	17,125	11,860	6,515	-	90	6,425
Social Studies	-	-	-	-	-	-	-
Softball	2,526	29,024	29,389	2,161	-	60	2,101
Sophomores	1,112	-	1,112	-	-	-	-
Special Ed/LD EMH	-	1,484	1,462	22	-	-	22
Special Ed/TMH	-	-	-	-	-	-	-
Senior Fraternity	43	660	696	7	-	-	7

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

OLDHAM COUNTY HIGH SCHOOL - CONCLUDED

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH	RECEIPTS	DISBURSE- MENTS	CASH	RECEIVABLES	ACCOUNTS PAYABLE	DUE TO
	BALANCES July 1, 2011			BALANCES June 30, 2012			June 30, 2012
Theatre Production	3,842	7,492	7,855	3,479	-	-	3,479
Technology	2,215	8,992	11,207	-	-	-	-
Young Republicans	120	-	-	120	-	-	120
Tennis	2,390	7,680	7,884	2,186	-	-	2,186
Videograming/Improv	-	267	-	267	-	-	267
Textbook Replacement	5,931	5,288	10,945	274	-	274	-
Theater/Drama	-	1,679	1,679	-	-	250	(250)
Track	5,036	8,846	11,500	2,382	-	-	2,382
Lockerroom Facility	-	-	-	-	-	-	-
Vending General	3,689	3,074	1,711	5,052	-	-	5,052
Vending Pop	14,790	24,270	11,549	27,511	-	-	27,511
Vending Faculty	2,491	13,797	14,085	2,203	-	-	2,203
Volleyball	1,977	14,971	11,749	5,199	-	220	4,979
Wrestling	2,655	17,907	13,394	7,168	-	-	7,168
Xerox/Supply	-	-	-	-	-	-	-
Yearbook	33,484	74,009	61,925	45,568	-	-	45,568
Special Projects	111,475	16,701	13,276	114,900	-	-	114,900
FCA	-	-	-	-	-	-	-
Swim Team	617	4,983	5,600	-	-	-	-
Alumni	10,730	5,821	11,606	4,945	-	-	4,945
Dance Team	1,528	9,524	9,531	1,521	-	-	1,521
Certificate of Deposit	18,480	79	-	18,559	-	-	18,559
Savings Account	64,315	102	-	64,417	-	-	64,417
Sub Total	\$ 474,557	\$ 1,556,214	\$ 1,532,282	\$ 498,489	\$ 5,265	\$ 26,867	\$ 476,887
Interfund Transfers	-	201,307	201,307	-	-	-	-
Total	\$ 474,557	\$ 1,354,907	\$ 1,330,975	\$ 498,489	\$ 5,265	\$ 26,867	\$ 476,887

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

SOUTH OLDHAM HIGH SCHOOL

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH	RECEIPTS	DISBURSE- MENTS	CASH	RECEIVABLES	ACCOUNTS PAYABLE	DUE TO
	BALANCES July 1, 2011			BALANCES June 30, 2012			June 30, 2012
Band, Concert	\$ 741	\$ 21,880	\$ 22,621	-	\$ -	\$ -	\$ -
Art	-	7,639	7,429	210	-	-	210
National Arts Society	392	712	694	410	-	-	410
Athletic, General	7,189	162,272	164,455	5,006	-	-	5,006
Baseball	2,554	13,233	9,848	5,939	-	854	5,085
ACT/SAT Prep Course	-	2,785	2,785	-	-	-	-
Basketball, Boys	5,953	25,831	22,790	8,994	-	-	8,994
Basketball, Girls	70	14,877	14,784	163	-	-	163
Beta	902	12,338	10,714	2,526	-	-	2,526
Bookstore	4,606	1,692	2,057	4,241	-	-	4,241
Book/Course Fees	-	224,940	224,940	-	3,662	-	3,662
Cheerleadng	4,466	23,066	21,615	5,917	-	-	5,917
Team Hope	59	-	59	-	-	-	-
Choral Music	3,484	47,108	48,828	1,764	-	500	1,264
Diplomacy Club	870	27,684	27,634	920	-	-	920
Dragon Club	4,060	-	4,060	-	-	-	-
CLEP Testing	291	-	291	-	-	-	-
Cross Country	3,896	13,626	13,633	3,889	-	-	3,889
Debate	77	864	718	223	-	-	223
Dance Team	1,119	14,546	13,953	1,712	-	383	1,329
Dragon Stadium	-	1,621	-	1,621	-	-	1,621
English	-	10,910	10,910	-	-	-	-
Textbooks	-	44,526	44,526	-	-	-	-
Faculty Fund	176	629	626	179	-	-	179
Field Hockey	2,440	11,914	11,268	3,086	-	-	3,086
Student Recognition	4	10,438	10,442	-	-	-	-
Marine Bio/Field Trip	1,510	38,928	38,425	2,013	-	-	2,013
Football	6,715	44,469	48,566	2,618	5,695	-	8,313
Foreign Language	5,485	3,631	9,116	-	-	-	-
French Club	11	10	-	21	-	-	21
Freshman Class	-	5,329	5,329	-	-	-	-
FCCLA	3,611	10,246	10,862	2,995	-	-	2,995
FCCLA Reg. #6	1,247	2,852	1,269	2,830	-	-	2,830
General	36,936	51,043	35,580	52,399	-	958	51,441
General - Savings	-	-	-	-	-	-	-
Golf, Boys	1,508	4,476	4,243	1,741	-	-	1,741
Golf, Girls	144	670	328	486	-	-	486
Guidance	128	1,684	1,812	-	-	-	-
Family & Consumer Science	-	6,742	6,742	0	-	-	0
Honor Society	748	1,050	1,049	749	-	-	749
Ind Arts	-	9,039	9,039	-	-	-	-
Junior Class	3,104	19,053	20,759	1,398	-	-	1,398
Library	42	1,526	1,334	234	-	-	234
Lacrosse	9,865	15,583	18,399	7,049	-	-	7,049
Link Crew	-	6,826	6,057	769	-	-	769
Literary	-	-	-	-	-	-	-
Locker	24,714	4,011	18,582	10,143	-	-	10,143
Parking Sticker	4,642	6,420	4,255	6,807	20	-	6,827
Math	-	1,693	1,578	115	-	-	115
German Club	-	613	606	7	-	-	7
PE/Health	-	471	471	-	-	-	-
Dragon Spirit Pep Club	29	325	350	4	-	-	4
Scholarships	6,037	6,450	4,600	7,887	-	-	7,887
Scholastic Competition	-	-	-	-	-	-	-
School Paper	3,816	8,788	6,150	6,454	-	1,338	5,116
School Pictures	-	2,406	2,406	-	-	-	-
Science	-	10,042	10,042	-	-	-	-
Senior Class	10,161	37,026	35,611	11,576	-	-	11,576
Spanish Club	81	199	280	-	-	-	-
Spanish Honor Society	-	1,626	1,411	215	-	-	215
Soccer, Boys	2,042	10,841	12,074	809	-	-	809
Soccer, Girls	1,337	17,297	9,176	9,458	-	-	9,458

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

SOUTH OLDHAM HIGH SCHOOL - CONCLUDED

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH		DISBURSE- MENTS	CASH		RECEIVABLES	ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES July 1, 2011	RECEIPTS		BALANCES June 30, 2012	June 30, 2012			
Social Studies	-	9,703	6,853	2,850	-	-	-	2,850
Softball	2,581	5,293	5,544	2,330	-	-	-	2,330
Sophomore Class	1,342	1,427	-	2,769	-	-	-	2,769
Special Ed - LD/MMD	145	301	446	-	-	-	-	-
Special Ed - TMD	-	2,150	2,026	124	-	-	-	124
STLP - Broadcast Journalism	11	825	836	-	-	-	-	-
STEP Club	46	-	46	-	-	-	-	-
Student Council	695	875	1,427	143	-	-	-	143
Technology	2,953	18,189	18,487	2,655	-	-	-	2,655
Interact Club	-	751	-	751	-	-	-	751
Tennis, Boys	588	826	926	488	-	-	-	488
Tennis, Girls	136	3,120	2,876	380	-	-	-	380
Testing	3,705	65,560	69,265	-	-	-	-	-
Textbook Replacement	6,103	389	17	6,475	-	-	-	6,475
Theatre	-	20,888	18,598	2,290	-	-	-	2,290
Track	1,005	3,145	2,129	2,021	-	-	-	2,021
Vandalism	92	2,058	2,150	-	-	-	-	-
Vending General	565	713	-	1,278	-	-	-	1,278
Staff Vending	5,525	6,519	8,023	4,021	-	-	-	4,021
Vending Pop	16,326	19,260	17,140	18,446	-	-	-	18,446
Ski Club	599	3,626	2,532	1,693	-	-	-	1,693
Volleyball	1,512	8,713	7,495	2,730	-	-	-	2,730
Wrestling	15,334	30,499	25,414	20,419	-	-	-	20,419
Xerox/Supply	11,784	37,199	40,801	8,182	4,540	1,000	-	11,722
Yearbook	39,911	54,963	51,852	43,022	-	-	-	43,022
Grants/Special Projects	8,994	4,449	8,072	5,371	-	-	-	5,371
FCA	21	57	15	63	-	-	-	63
Swim Team	2,340	11,855	8,143	6,052	-	-	-	6,052
Sub Total	\$ 289,575	\$ 1,339,849	\$ 1,319,294	\$ 310,130	\$ 13,917	\$ 5,033	\$	\$ 319,014
Interfund Transfers	-	269,197	269,197	-	-	-	-	-
Total	\$ 289,575	\$ 1,070,652	\$ 1,050,097	\$ 310,130	\$ 13,917	\$ 5,033	\$	\$ 319,014

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BUCKNER ALTERNATIVE SCHOOL

YEAR ENDED JUNE 30, 2012

<u>NAME OF ACTIVITY</u>	<u>CASH BALANCES July 1, 2010</u>	<u>RECEIPTS</u>	<u>DISBURSE- MENTS</u>	<u>CASH BALANCES June 30, 2011</u>	<u>RECEIVABLES June 30, 2011</u>	<u>ACCOUNTS PAYABLE June 30, 2011</u>	<u>DUE TO STUDENT GROUPS June 30, 2011</u>
GENERAL	\$ 326	\$ 1,830	\$ 1,656	\$ 500	\$ -	\$ -	\$ 500
Subtotal	326	1,830	1,656	500	-	-	500
Interfund Transfers	-	-	-	-	-	-	-
TOTAL	\$ 326	\$ 1,830	\$ 1,656	\$ 500	\$ -	\$ -	\$ 500

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Child Nutrition Cluster -			
Cash Assistance			
Passed Through State Department of Education			
National School Lunch Program	10.555	7750002-11 7750002-12	\$ 212,810 826,215
School Breakfast Program	10.553	7760005-11 7760005-12	50,893 218,383
Non-Cash Assistance (Commodities)			
National School Lunch Program	10.555	057502-02	<u>257,511</u>
TOTAL CHILD NUTRITION CLUSTER			<u>1,565,812</u>
TOTAL U.S. DEPT. OF AGRICULTURE			<u>1,565,812</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Passed Through Kentucky Department of Energy Development and Independence			
State Energy Program	81.041	5691 5692	1,719 <u>30,138</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>31,857</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Special Education Cluster (IDEA) -			
Passed Through State Department of Education			
Special Education - Grants to States	84.027	3371 3372 3372C 5551	75,305 1,783,494 297,252 461 <u>2,156,512</u>
Special Education - Preschool Grants	84.173	3432	<u>44,276</u>
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>2,200,788</u>
<u>OTHER U.S. DEPARTMENT OF EDUCATION PROGRAMS</u>			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	3101 3101M 3102 3102D 3200 3202	37,650 483 396,188 69,981 1,523 27,541 <u>533,366</u>

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
Vocational Education - Basic Grants to States	84.048	3480A 3481A 3482	1,918 2,938 62,704 <hr/> 67,560
Education Technology - State Grants	84.318	4250 4251	2,784 1,399 <hr/> 4,183
English Language Acquisition Grants	84.365	34511 3452	14,809 49,954 <hr/> 64,763
Improving Teacher Quality - State Grants	84.367	4011 4012	29,784 193,009 <hr/> 222,793
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	3219	9,876
ARRA - School Improvement Grants, Recovery Act	84.388A	5600A 5600B	6,983 31,360 <hr/> 38,343
Education Jobs Fund	84.410	4411	2,089,456
Adult Education - State Grant Program	84.002	3651 3732 3732S	11,384 61,692 1,287 <hr/> 74,363
TOTAL U.S. DEPARTMENT OF EDUCATION			<hr/> 5,305,491
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Head Start Cluster			
Head Start	93.600	6552	638,381
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<hr/> 638,381
TOTAL EXPENDITURES OF FEDERAL AWARDS			<hr/> \$ 7,541,541

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2012

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Oldham County School District under programs of the federal government for the year ended June 30, 2012. 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*. Because the schedule presents only a selected portion of the operations of Oldham County School District, it is not intended to and does not present the financial position, changes in net assets or cash flows of Oldham County School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting for proprietary funds and the modified accrual basis of accounting for governmental funds. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed.

NOTE D – SUBRECIPIENTS

There were no subrecipients during the fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OLDHAM COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued (unqualified):

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified
that are not considered to be material
weaknesses? yes X none reported

Noncompliance material to financial
statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified
that are not considered to be material
weakness(es)? yes X none reported

Type of auditor's report issued on compliance for major programs (unqualified):

Any audit findings disclosed that are
required to be reported in accordance
with section 510(a) of Circular A-133? yes X no

Identification of major programs:

CFDA Number	Federal Program or Cluster
DEPARTMENT OF AGRICULTURE	
10.553	School Breakfast Program
10.555	National School Lunch Program
DEPARTMENT OF EDUCATION	
Special Education Cluster (IDEA) -	
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
Other Programs	
84.410	Education Jobs Fund

Section I-Summary of Auditor's Results – Continued

Threshold used to distinguish
Between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____yes Xno

Section II – Financial Statement Findings

MATERIAL WEAKNESSES

REFERENCE NUMBER 2012-01

FINANCIAL STATEMENT ADJUSTMENTS

Criteria: The District's management is responsible for establishing and maintaining internal controls over the application of transactions and the preparation of financial statements.

Condition: As part of the audit we noted that material adjustments were not identified by the District's internal control.

Cause: The District did not make all necessary adjustments.

Effect: The design of the internal controls over financial reporting did not allow the District to identify all necessary adjustments.

Recommendation: We recommend District management and financial personnel continue to develop internal control policies to ensure that necessary adjustments are made.

Management Response: The District has implemented procedures to ensure that adjustments are identified as of the audit report date.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2012

There were no prior year federal findings.

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

THEODORE C. STILES, CPA
BENJAMIN E. CARTER, CPA
JOHN R. ASHCRAFT, CPA
J. SCOTT KISSELBAUGH, CPA
BRIAN S. WOOSLEY, CPA
CHRIS R. CARTER, CPA



STILES, CARTER & ASSOCIATES, P.S.C.

CERTIFIED PUBLIC ACCOUNTANTS

2901 RING ROAD EAST

P. O. BOX 622

ELIZABETHTOWN, KY 42702-0622

TELEPHONE 270/769-6371

FAX 270/765-7934

www.stilescartercpas.com

JON M. ANDERSON, CPA
CHERYLE L. BEAUCHAMP, CPA
WILLIAM M. DOERR, CPA
CARRIE A. GREY, CPA
LYNN C. HOWARD, CPA
PHILIP A. LOGSDON, CPA
J. ALTON PIKE, CPA

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education
Oldham County School District
Crestwood, Kentucky

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oldham County School District as of and for the year ended June 30, 2012, which collectively comprise the Oldham County School District's basic financial statements and have issued our report thereon dated October 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Kentucky State Committee for School District Audits in Appendices I, II III and IV of the *Independent Auditor's Contract*.

Internal Control Over Financial Reporting

Management of Oldham County Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Oldham County Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2012-01 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oldham County Board of Education'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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditor's Contract – State Audit Requirements*.

We also noted certain additional matters that we have reported to the management of Oldham County School District in a separate letter dated October 8, 2012.

Oldham County School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Oldham County School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the members of the Oldham County School District, others within the District, the Kentucky Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants
October 8, 2012

**INDEPENDENT AUDITOR'S
REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

THEODORE C. STILES, CPA
BENJAMIN E. CARTER, CPA
JOHN R. ASHCRAFT, CPA
J. SCOTT KISSELBAUGH, CPA
BRIAN S. WOOSLEY, CPA
CHRIS R. CARTER, CPA



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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education
Oldham County School District
Crestwood, Kentucky

Compliance

We have audited the compliance of Oldham County School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2012. Oldham County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Oldham County School District's management. Our responsibility is to express an opinion on Oldham County School 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Oldham County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Oldham County School District's compliance with those requirements.

In our opinion, Oldham County School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 management, the members of the Oldham County Board of Education, others within the District, the Kentucky Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants
October 8, 2012

MANAGEMENT LETTER AND COMMENTS

THEODORE C. STILES, CPA
BENJAMIN E. CARTER, CPA
JOHN R. ASHCRAFT, CPA
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Members of the Board of Education of
Oldham County School District
Crestwood, Kentucky

In planning and performing our audit of the basic financial statements of Oldham 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.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. Any uncorrected comments from the prior year have been included in the memorandum. A separate report dated October 8, 2012, contains our report on the District's internal control. This letter does not affect our report dated October 8, 2012, on the financial statements of the Oldham County School District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and their implementation is currently being reviewed. 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.

This report is intended solely for the information and use of management, the members of the Oldham County Board of Education, others within the District, the Kentucky Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Stiles, Carter & Associates".

Certified Public Accountants
October 8, 2012

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS

June 30, 2012

CURRENT YEAR COMMENTS

BUCKNER ELEMENTARY

UNALLOWABLE PURCHASE

We noted check #6230, dated 3/2/2012, written to Hometown Pizza for \$53.41 was for the purchase of staff lunches out of the general fund.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

CENTERFIELD ELEMENTARY

CREDIT CARDS

We noted F-SA-13, Credit Card Sign In/Out sheets, for the Sam's Club and Home Depot credit cards were not on file.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

INVENTORY CONTROL

We noted the Basketball concessions did not have F-SA-5, Inventory Control Form, on file. We also noted F-SA-5 for the bookstore was not completed as some inventory items did not have a sales price listed and the overage/shortage was not calculated.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

CRESTWOOD ELEMENTARY

INVENTORY CONTROL

We noted the bookstore did not have F-SA-5, Inventory Control Worksheet, on file.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

PAYROLL CHECK

We noted check #6623, dated 2/2/2012, for \$120.60 was written to an employee for overtime pay. This was later repaid by the employee and was paid through MUNIS payroll.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS

June 30, 2012

GOSHEN ELEMENTARY SCHOOL

MISSING INVOICE

We noted check #18699, dated 2/21/12 for \$116.00 was written to Dominos without a standard or vendor invoice.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

HARMONY ELEMENTARY

CREDIT CARDS

We noted the Husky Hideout Costco Credit Card and Husky Hideout Wal-Mart Credit Card did not have F-SA-13, Credit Card Sign In/Out Form on file.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

KENWOOD STATION ELEMENTARY SCHOOL

UNALLOWABLE PURCHASE

We noted check #4573, dated 9/7/11, written to HSBC was for the purchase of breakfast for the staff from the General Fund.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

NORTH OLDHAM HIGH SCHOOL

TICKET SALES

We noted the Mustang Classic held by the Wrestling fund on 02/03/12 had F-SA-1, Requisition and Report of Ticket Sales, attached that was not completed correctly as the form listed 199 \$8.00 tickets, 40 \$4.00 tickets and 4 \$5.00 tickets sold for total ticket sales of \$1,772.00 but the sales reconciliation fields show \$2,741.00 with \$500.00 change returned and a \$469.00 cash overage for a total deposit of \$2,241.00. The form was reviewed subsequently by the school treasurer.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS

June 30, 2012

NORTH OLDHAM MIDDLE SCHOOL

TICKET SALES

We noted the Boys Basketball Game held on 11/7/11 had F-SA-1, Ticket Requisition Form, without separate signatures for the ticket taker and ticket seller.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

PRINCIPAL'S COMBINING BUDGET

We noted that the Principal's Combining Budget had differing amounts for individual activity fund amounts than those listed on the Individual Activity Fund Budgets.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

UNALLOWABLE PURCHASE

We noted check #11032, dated 3/6/2012, was written to Consumers Choice Coffee to purchase coffee for the staff out of the General fund.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS

June 30, 2012

OLDHAM COUNTY HIGH SCHOOL

INVENTORY CONTROLS

We noted F-SA-5, Inventory Control Worksheet, was not on file for the pencil machine.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

UNTIMELY DEPOSIT

We noted a deposit of \$899.72, dated 11/4/2011 had a F-SA-6, Multiple Receipt Form, dated 10/31/2011 for \$420.00 five days before the deposit of funds, another F-SA-6 dated 11/2/2011 for \$113.00 two days before the deposit of funds and another F-SA-6 for \$300.00, which was not signed or dated.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

MULTIPLE RECEIPT FORMS

We noted that the following deposits had F-SA-6, Multiple Receipt Forms that were not signed by students: 11/4/2011 for \$899.72, 2/27/2012 for \$4,846.50, 4/6/2012 for \$816.80, and 5/10/2012 for \$1,822.90.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

PURCHASE ORDER

We noted that check #31989, dated 9/8/2011, written to the childcare director had attached a purchase order dated 8/1/2011 five days after the Walmart receipt dated 7/27/2011.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

OLDHAM MIDDLE SCHOOL

CASH RECEIPTS

We noted a deposit of \$78.00, dated 9/23/11 for a volleyball game on 9/22/11 had a F-SA-1, Requisition and Report of Ticket Sales, with \$178.00 cash collected at the gate, which is \$100.00 less than collected.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS

June 30, 2012

SOUTH OLDHAM HIGH SCHOOL

MULTIPLE RECEIPT FORMS

We noted the following deposits had F-SA-6, Multiple Receipt Forms that were not signed by students: deposit dated 11/10/11 for \$6,847.50, deposit dated 3/1/2012 for \$2,270.00, deposit dated 4/12/12 for \$2,635 and deposit dated 6/29/2012 for \$4,933.67.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

PURCHASE ORDER

We noted check #43764, dated 6/11/2012 was a travel reimbursement without a purchase order on file.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

SOUTH OLDHAM MIDDLE SCHOOL

INVENTORY CONTROL

We noted F-SA-5, Inventory Control Worksheet, was not completed correctly for vending as beginning inventory, purchases and ending inventory was calculated using purchase price rather than sales price and F-SA-5 was not on file for the school's pencil machine.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

TICKET SALES

We noted the ending ticket was not attached to the 8/28/11 football game or the 1/10/12 boys' basketball game F-SA-1, Requisition and Report of Ticket Sales

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.

PURCHASE ORDER

We noted check #9389, dated 9/26/2011, for \$334.00 was written to Delco Land Management without a purchase order on file.

MANAGEMENT RESPONSE

Management will discuss this item with school personnel.