

OLDHAM COUNTY SCHOOL DISTRICT

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

Year Ended June 30, 2013

OLDHAM COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2013

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Funds	17
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds.....	19
Statement of Fiduciary Net Position – Fiduciary Funds	20
Notes to the Basic Financial Statements	21-38
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund	39
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund.....	40

OLDHAM COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS - CONTINUED

YEAR ENDED JUNE 30, 2013

Supplementary Information:

Combining Statements – Nonmajor Funds:

Combining Statement of Fiduciary Net Position – Fiduciary Funds..... 41

Schools:

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – All Schools..... 42

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – North Oldham
High School..... 43-44

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – Oldham County
High School..... 45-46

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – South Oldham
High School..... 47-48

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – Buckner
Alternative School..... 49

Schedule of Expenditures of Federal Awards..... 50-51

Notes to the Schedule of Expenditures of Federal Awards 52

Schedule of Findings and Questioned Costs 53-54

Schedule of Prior Year Audit Findings..... 55

**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..... 56-57**

**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 58-59**

Management Letter and Comments 60-72

CHRIS R. CARTER, CPA
SCOTT KISSELBAUGH, CPA
BRIAN S. WOOSLEY, CPA



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

CERTIFIED PUBLIC ACCOUNTANTS

2901 RING ROAD EAST

P. O. BOX 622

ELIZABETHTOWN, KY 42702-0622

MEMBER
AMERICAN INSTITUTE
OF CPAs
KENTUCKY SOCIETY
OF CPAs

INDEPENDENT AUDITOR'S REPORT

TELEPHONE 270/769-6371

FAX 270/765-7934

www.scacpa.com

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 the *Independent Auditor's Contract*, including *Appendix I – Audit Extension Request* and *Appendix II – 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor, considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, 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.

As discussed in Note 1 to the financial statements, the District adopted GASB No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AJCPA Pronouncements*, GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions an amendment of GASB Statement No. 53* during the fiscal year.

Other Matters

Required Supplementary Information

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 39 through 40 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oldham County School District's basic financial statements. The combining financial statements, school schedules and schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with accounting standards generally accepted in the United States of America. In our opinion, the combining financial statements, school schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 15, 2013, 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* in considering Oldham County School District's internal control over financial reporting and compliance.


Certified Public Accountants
Elizabethtown, Kentucky
October 15, 2013

REQUIRED SUPPLEMENTARY INFORMATION

**OLDHAM COUNTY SCHOOL DISTRICT – CRESTWOOD, KENTUCKY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2013**

Our discussion and analysis of Oldham County School District’s financial performance provides an overview of the School District’s financial activities for the fiscal year ended June 30, 2013. It should be read in conjunction with the financial statements that immediately follow this section to enhance understanding of the School District’s overall financial performance.

FINANCIAL HIGHLIGHTS

- The Oldham County Board of Education completed the June 30, 2013 fiscal year (FY13) with the General Fund reflecting an unassigned fund balance of approximately \$10.0M, which is 13.8% of its total FY13 Governmental Funds Revenues (excluding on-behalf payments of \$17.7M).
- The District’s General Fund Revenues (excluding on-behalf payments) were \$73.3M and consisted of the following major sources:

SEEK	\$ 37.5M
Property Taxes	\$ 26.3M
Motor Vehicle Tax	\$ 3.2M
Utilities Tax	\$ 3.4M

- 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 FY12.
- The District, through the Oldham County School District Finance Corporation, issued approximately \$30.85M of refunding bonds to refinance its 2003 and 2004 School Revenue Bond issues. This refinancing resulted in an interest savings of approximately \$3.8M over the life of the bond issues.
- The District’s major construction projects for FY13 included the completion of the Centerfield Elementary renovation and the start of the Oldham County Middle School renovation. The Centerfield Elementary renovation was financed through a School Revenue Bond issue dated September 7, 2012 in the amount of \$6.54M. The Oldham County Middle School renovation, which has an estimated completion date of August 2014, is financed by a school Revenue Bond issue dated July 9, 2013 in the amount of \$10.36M.

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 Position 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 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities and deferred inflows/outflows 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 position and changes in such net position from the previous year. This change is important because it identifies whether the net 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 Position 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 - 38 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A Government's net position may serve over time as a useful indicator of its overall financial condition. In the case of the District, its net position at June 30, 2013 was \$77.5M. This is an increase of \$4.6M over the prior year.

The largest portion of the District's net position 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 net 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 Position for the years ending June 30, 2013 and 2012
(Table 1)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 22,058,836	\$ 23,658,109	\$ 799,848	\$ 946,620	\$ 22,858,684	\$ 24,604,729
Capital Assets	202,188,593	201,569,284	5,925,756	6,075,451	208,114,349	207,644,735
Total Assets	224,247,429	225,227,393	6,725,604	7,022,071	230,973,033	232,249,464
Long-term Debt	141,370,738	144,877,128	-	-	141,370,738	144,877,128
Other Liabilities	13,081,801	14,476,815	-	-	13,081,801	14,476,815
Total Liabilities	154,452,539	159,353,943	-	-	154,452,539	159,353,943
Net Position						
Net investment in capital assets	54,133,057	51,979,864	5,925,756	6,075,451	60,058,813	58,055,315
Restricted	6,049,131	3,822,727	-	-	6,049,131	3,822,727
Unrestricted	10,612,702	10,070,859	1,429,848	946,620	12,042,550	11,017,479
Total Net Position	\$ 70,794,890	\$ 65,873,450	\$ 7,355,604	\$ 7,022,071	\$ 78,150,494	\$ 72,895,521

Comments on Budget Comparisons

- The District's actual FY13 General Fund revenues and expenditures include "on-behalf" amounts (\$17.7M) which represent the value of employee health insurance, Kentucky Teachers Retirements matching and technology services provided by the state of Kentucky
- Excluding "on-behalf" revenues and expenditures, the District's FY13 General Fund revenues totaled \$73.3M, which exceeded budgeted revenues by approximately \$2.5M. This excess resulted from a one-time transfer of assigned school funds of \$1.2M, additional tax collections of \$824,000 and other increases in other revenues of \$476,000. FY13 General Fund expenditures totaled \$77.5M, which was less than budgeted expenditures by \$3.9M due to unspent contingency.

The following Table 2 presents a summary of changes in net position for the fiscal year ended June 30, 2013 and 2012.

(Table 2)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUES						
Program revenues						
Charges for services	\$ 1,569,137	\$ 312,584	\$ 2,588,230	\$ 2,542,096	\$ 4,157,367	\$ 2,854,680
Operating grants and contributions	28,320,067	29,494,287	1,923,855	1,794,653	30,243,922	31,288,940
Capital grants and contributions	369,969	962,964	-	-	369,969	962,964
General revenues						
Property taxes	38,369,456	37,769,846	-	-	38,369,456	37,769,846
Motor vehicle taxes	3,172,663	2,899,342	-	-	3,172,663	2,899,342
Utility taxes	3,413,700	3,176,277	-	-	3,413,700	3,176,277
Other taxes	200,000	200,000	-	-	200,000	200,000
Gain on disposal of capital assets	88,314	-	-	-	88,314	-
Investment earnings	200,118	176,764	2,126	2,697	202,244	179,461
State and formula grants	37,788,587	37,230,862	-	-	37,788,587	37,230,862
Miscellaneous	437,576	143,003	-	-	437,576	143,003
Total revenues	<u>113,929,587</u>	<u>112,365,929</u>	<u>4,514,211</u>	<u>4,339,446</u>	<u>118,443,798</u>	<u>116,705,375</u>
EXPENSES						
Program Activities						
Instruction	65,835,844	65,330,572	-	-	65,835,844	65,330,572
Student support	5,992,416	6,053,579	-	-	5,992,416	6,053,579
Instructional staff support	4,516,774	4,890,361	-	-	4,516,774	4,890,361
District administrative support	1,625,679	1,745,185	-	-	1,625,679	1,745,185
School administrative support	6,264,078	6,033,908	-	-	6,264,078	6,033,908
Business support	2,145,517	2,175,233	-	-	2,145,517	2,175,233
Plant operation and maintenance	8,178,715	7,478,259	-	-	8,178,715	7,478,259
Student transportation	8,069,774	9,373,439	-	-	8,069,774	9,373,439
Community service activities	73,502	75,441	-	-	73,502	75,441
Other	666,696	355,697	-	-	666,696	355,697
Interest costs	5,700,730	6,502,273	-	-	5,700,730	6,502,273
Business-type Activities						
Food service	-	-	4,621,062	4,406,408	4,621,062	4,406,408
Total expenses	<u>109,069,725</u>	<u>110,013,947</u>	<u>4,621,062</u>	<u>4,406,408</u>	<u>113,690,787</u>	<u>114,420,355</u>
Extraordinary item - KSBIT	(128,038)	-	-	-	(128,038)	-
Transfers	189,616	187,507	(189,616)	(187,507)	-	-
Increase (decrease) in net position	<u>\$ 4,921,440</u>	<u>\$ 2,539,489</u>	<u>\$ (296,467)</u>	<u>\$ (254,469)</u>	<u>\$ 4,624,973</u>	<u>\$ 2,285,020</u>

Governmental Activities

Instruction comprises 60.4% of governmental program expenses and Support services expenses make up an additional 33.7%. The remaining expenses for community services activities, interest and other items account for the remaining 5.9% of total government expense.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2013 the School District had \$207.0 million invested in capital assets with \$203.2 million in governmental activities. Table 4 shows fiscal year 2013 and 2012 balances.

(Table 4)
Capital Assets at June 30, 2013 and 2012
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land and improvements	\$ 14,851,990	\$ 14,237,924	\$ -	\$ -	\$ 14,851,990	\$ 14,237,924
Buildings and improvements	167,256,289	170,046,668	5,805,073	5,950,504	173,061,362	175,997,172
Infrastructure	2,097,027	2,231,493				
Technology	2,406,688	2,625,986	12	12	2,406,700	2,625,998
Vehicles	7,432,250	6,809,287	10,180	14,705	7,442,430	6,823,992
General equipment	494,154	580,318	110,491	110,230	604,645	690,548
Total	194,538,398	196,531,676	5,925,756	6,075,451	198,367,127	200,375,634
Construction in progress	8,650,195	5,037,608	-	-	8,650,195	5,037,608
Total	\$ 203,188,593	\$ 201,569,284	\$ 5,925,756	\$ 6,075,451	\$ 207,017,322	\$ 205,413,242

Table 5 shows changes in capital assets for the year ended June 30, 2013 and 2012.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Beginning balance	\$ 201,569,284	\$ 199,049,065	\$ 6,075,451	\$ 6,237,681	\$ 207,644,735	\$ 205,286,746
Additions	10,783,733	15,665,498	26,235	13,520	10,809,968	15,679,018
Retirements	(1,994,585)	(6,337,817)	(856)	(360)	(1,995,441)	(6,338,177)
Depreciation	(7,169,839)	(6,807,462)	(175,074)	(175,390)	(7,344,913)	(6,982,852)
Ending balance	\$ 203,188,593	\$ 201,569,284	\$ 5,925,756	\$ 6,075,451	\$ 209,114,349	\$ 207,644,735

Debt

At June 30, 2013, the District had \$147.8 million in bonds outstanding, with \$2.8 million of this balances to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$7.4 million is due within one year. The 2003 and 2004 bonds were refunded during the fiscal year.

District Challenges for the Future

Current Issues

The Oldham County School District continues to be recognized throughout Kentucky as one of the top school districts in the Kentucky. Oldham County School's students continue to achieve above average scores on standardized test and, along with the District and its teachers, have received State and National recognition as evidenced by the following rankings and awards:

- Average ACT scores of 21.8 (State average of 19.2)
- Top Ten College and Career Readiness
- KPREP #1 Ranked "Large" County-Wide District
- College Board's AP Honor Roll
- Kentucky Elementary Art Educator of the Year
- Ashland Teacher Achievement Awards (2)
- National Merit Semifinalists

Due to its history of outstanding instructional achievements, Oldham County School District has been one of the fastest growing Kentucky school districts for many years. Due to the overall national economic downturn, Oldham County's growth for the previous three years had been flat, but current year preliminary enrollment numbers report a reversal of that trend, as approximately 190 more students are enrolled for FY14 than were for FY13.

Just as all other Kentucky school districts, Oldham County continues to experience a reduction in both State and Federal funding, and this trend is expected to continue. These funding reductions forced the Oldham County School District to implement various FY14 budget reductions, including an increase in the student/teacher ratios as a means of reducing costs, but the District remains committed to maintaining the highest level of student learning.

In addition to budget reductions, the District increased its tax rate for the first time in three years. On August 29, 2013, the Oldham County Board of Education voted to adopt a school tax rate (the "4%" rate) for real estate of 73.4 cents per \$100 assessed value of real estate, which was an increase of 4.5 cents from the prior year rate. Based on Oldham County's assessed property values, this increase in the tax rate will generate approximately \$2.1M more in tax revenue for FY14.

Future Budgetary Implications

As part of its overall long-term financial plan, the District implemented approximately \$3.3M in budget reductions for FY14. With the combination of budget reductions and the adoption of a higher tax rate, the District has positioned itself to address budget issues resulting from mandated operating cost increases, reductions in assessed property values and decreases in both Federal and State funding.

The State of Kentucky's educational funding mechanism, Support Education Excellence in Kentucky (SEEK), has continued to decrease its base funding per student, with the FY14 level being \$3,827. Along with this decrease in SEEK funding, 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 the District to use General Fund local revenues and contingency funds to meet budgetary expenditures.

The growth which Oldham County experienced in previous years has slowed and as a result of the economic downturn, the District has experienced less new construction and a significant decrease in assessed property values. Student enrollment, new property growth and assessed property values are vital components of the SEEK funding formula and property tax base, and all have been affected negatively in previous years. The District's enrollment has been flat for the prior three years, but preliminary counts for FY14 report an increase of approximately 190 students over FY13. Additionally, it appears the economy is starting to rebound which should result in additional real property construction and an increase in property values.

In Kentucky, School Districts must maintain a minimum 2% contingency. The Oldham County School District adopted its FY14 budget with a 12.4% contingency. Examples of circumstances which could affect the projected contingency balance include changes in projected Federal and State funding, assessed property values and estimated tax collection rates, along with unexpected expenditures, early extinguishment of debt and funding of new educational initiatives. The Board monitors this contingency to assure its adequacy in association with the fiscal operations of the District.

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 District's finances and to reflect accountability for the monies received and expended.

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, Kentucky 40014.

BASIC FINANCIAL STATEMENTS

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2013

Assets	Governmental Activities	Business- Type Activities	Total
<u>Current Assets</u>			
Cash and cash equivalents	\$ 19,654,626	\$ 563,178	\$ 20,217,804
Prepays	88,128		88,128
Inventory		92,991	92,991
Receivables:			
Taxes-current	525,874		525,874
Taxes-delinquent	48,466		48,466
Other receivables	178,418		178,418
Intergovernmental-State	12,865		12,865
Intergovernmental-Indirect Federal	778,785	143,679	922,464
Total Current Assets	21,287,162	799,848	22,087,010
<u>Noncurrent Assets</u>			
Deferred charges	771,674		771,674
Capital assets, net of accumulated depreciation	203,188,593	5,925,756	209,114,349
Total Noncurrent Assets	203,960,267	5,925,756	209,886,023
Total Assets	225,247,429	6,725,604	231,973,033
Liabilities			
<u>Current Liabilities</u>			
Accounts payable	1,166,722		1,166,722
Accrued payroll and related expenses	1,572,815		1,572,815
Unearned revenue	430,974		430,974
Bond obligations	7,430,000		7,430,000
Capital lease obligations	818,310		818,310
Compensated absences	331,402		331,402
Interest payable	1,331,578		1,331,578
Total Current Liabilities	13,081,801	-	13,081,801
<u>Noncurrent Liabilities</u>			
Bond obligations	135,184,647		135,184,647
Capital lease obligations	5,394,253		5,394,253
Compensated absences	663,800		663,800
KSBIT	128,038		128,038
Total Noncurrent Liabilities	141,370,738	-	141,370,738
Total Liabilities	154,452,539	-	154,452,539
<u>Net Position</u>			
Net investment in capital assets	55,133,057	5,295,756	60,428,813
Restricted	6,049,131		6,049,131
Unrestricted	9,612,702	1,429,848	11,042,550
Total Net Position	\$ 70,794,890	\$ 6,725,604	\$ 77,520,494

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

OLDHAM COUNTY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2013

	General Fund	Special Revenue Fund	FSPK Fund	Construction Fund	Debt Service Fund	Nonmajor Fund - Capital Outlay	Total Governmental Funds
Assets:							
Cash and cash equivalents	\$ 13,697,694	\$ -	\$ 394,369	\$ 4,411,013	\$ 1,513,384	\$ 68,441	\$ 20,084,901
Prepays	88,128						88,128
Receivables:							
Taxes - current	525,874						525,874
Taxes - delinquent	48,466						48,466
Other receivables	170,053	8,365					178,418
Intergovernmental - State		12,865					12,865
Intergovernmental - Indirect Federal		778,785					778,785
Total Assets	\$ 14,530,215	\$ 800,015	\$ 394,369	\$ 4,411,013	\$ 1,513,384	\$ 68,441	\$ 21,717,437
Liabilities and Fund Balances:							
Liabilities							
Accounts payable	\$ 192,279	\$ 587	\$ -	\$ 906,531	\$ -	\$ 67,325	\$ 1,166,722
Cash overdraft		430,275					430,275
Accrued payroll and related expenses	1,572,815						1,572,815
Unearned revenue	200,000	230,974					430,974
Total Liabilities	1,965,094	661,836	-	906,531	-	67,325	3,600,786
Fund Balances							
Nonspendable	88,128						88,128
Restricted	497,601	138,179	394,369	3,504,482	1,513,384	1,116	6,049,131
Assigned	1,947,429						1,947,429
Unassigned	10,031,963						10,031,963
Total Fund Balances	12,565,121	138,179	394,369	3,504,482	1,513,384	1,116	18,116,651
Total Liabilities and Fund Balances	\$ 14,530,215	\$ 800,015	\$ 394,369	\$ 4,411,013	\$ 1,513,384	\$ 68,441	\$ 21,717,437

The notes to the financial statements are an integral part of this statement.

OLDHAM COUNTY SCHOOL DISTRICT

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

June 30, 2013

Total fund balance per fund financial statements	\$ 18,116,651
Amounts reported for governmental activities in the statement of net position 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 position.	203,188,593
Debt issuance charges are reported as expenditures in the governmental funds when first incurred; however, they are included as deferred charges in the statement of net position.	771,674
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 position:	
Bonds payable (net of discounts/premiums and deferred amounts on refundings)	(142,614,647)
Capital lease obligations	(6,212,563)
Interest payable	(1,331,578)
Compensated absences	(995,202)
KSBIT	(128,038)
Net position for governmental activities	<u>\$ 70,794,890</u>

The notes to the financial statements are an integral part of this statement.

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

Year Ended June 30, 2013

	General Fund	Special Revenue Fund	FSPK Fund	Construction Fund	Debt Service Fund	Nonmajor Fund - Capital Outlay	Total Governmental Funds
Revenues:							
From local sources:							
Taxes:							
Property	\$ 26,292,524	\$ -	\$ 12,076,932	\$ -	\$ -	\$ -	\$ 38,369,456
Motor vehicle	3,172,663						3,172,663
Utilities	3,413,710						3,413,710
Revenue in lieu of taxes	200,000						200,000
Earnings on investments	111,542		14,439	11,234	61,787	1,116	200,118
Other local revenues	2,089,393	899,934					2,989,327
Intergovernmental - State	55,473,324	1,643,372	2,938,464		369,969	1,103,096	61,528,225
Intergovernmental - Indirect Federal	213,837	3,111,048					3,324,885
Intergovernmental - Direct Federal		642,888					642,888
Total Revenues	90,966,993	6,297,242	15,029,835	11,234	431,756	1,104,212	113,841,272
Expenditures:							
Instruction	58,236,195	4,194,112					62,430,307
Support services:							
Student	4,731,933	1,246,854					5,978,787
Instruction staff	3,597,308	916,578					4,513,886
District administrative	1,392,601		181,154				1,573,755
School administrative	6,260,495						6,260,495
Business	2,144,697						2,144,697
Plant operation and maintenance	8,028,824						8,028,824
Student transportation	8,627,914	2,045					8,629,959
Community service activities		73,218					73,218
Other non-instruction	1,849,600						1,849,600
Facilities acquisition and construction	307,793			5,597,563		728,078	6,633,434
Bond issuance costs					240,080		240,080
Debt service:							
Principal					7,340,000		7,340,000
Interest					5,192,503		5,192,503
Total Expenditures	95,177,360	6,432,807	181,154	5,597,563	12,772,583	728,078	120,889,545
Excess (Deficit) of Revenues over Expenditures	(4,210,367)	(135,565)	14,848,681	(5,586,329)	(12,340,827)	376,134	(7,048,273)
Other Financing Sources (Uses):							
Proceeds from sale of capital assets	97,923						97,923
Capital lease proceeds	1,802,643						1,802,643
Bond proceeds from revenue bonds					6,540,000		6,540,000
Bond proceeds from refunding revenue bonds					30,855,000		30,855,000
Bond discount					(328,722)		(328,722)
Payment to refunded bond escrow agent					(30,446,162)		(30,446,162)
Transfers in	3,914,667	156,544		8,062,638	12,117,317		24,251,166
Transfers out	(156,544)		(16,545,759)		(6,375,613)	(983,634)	(24,061,550)
Total Other Financing Sources (Uses)	5,658,689	156,544	(16,545,759)	8,062,638	12,361,820	(983,634)	8,710,298
Excess (Deficit) of Revenue and Other Financing Sources over Expenditures and Other Financing Uses	1,448,322	20,979	(1,697,078)	2,476,309	20,993	(607,500)	1,662,025
Fund Balance, July 1, 2012	11,116,799	117,200	2,091,447	1,028,173	1,492,391	608,616	16,454,626
Fund Balance, June 30, 2013	\$ 12,565,121	\$ 138,179	\$ 394,369	\$ 3,504,482	\$ 1,513,384	\$ 1,116	\$ 18,116,651

The notes to the financial statements are an integral part of this statement.

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, 2013

Net change in total fund balances per fund financial statements	\$ 1,662,025
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.	1,628,918
The proceeds for the issuance of bonds provide current financial resources and are reported in this fund financial statement but they are presented as liabilities in the statement of net position.	(6,380,036)
The proceeds for the issuance of capital leases provide current financial resources and are reported in this fund financial statement but they are presented as liabilities in the statement of net position.	
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 position.	9,000,005
In the statement of activities, only the gain (loss) on sale of fixed assets is reported, whereas in the governmental funds, the proceeds for the sale increased financial resources.	(9,609)
Estimated claims that are not mature are not reported in this fund financial statement, but those that are probable and reasonably estimable This item is recorded as extraordinary item in the statement of activities as it is unusual in nature and infrequent in occurrence.	(128,038)
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>(851,825)</u>
Change in net position of governmental activities	<u>\$ 4,921,440</u>

The notes to the financial statements are an integral part of this statement.

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2013

	<u>Food Service Fund</u>
Assets	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 563,178
Intergovernmental - Indirect Federal	143,679
Inventory	<u>92,991</u>
Total Current Assets	799,848
<u>Noncurrent Assets</u>	
Capital assets, net of accumulated depreciation	<u>5,925,756</u>
Total Noncurrent Assets	<u>5,925,756</u>
Total Assets	<u>6,725,604</u>
Liabilities	
<u>Current Liabilities</u>	
Accounts payable	<u>-</u>
Total Current Liabilities	<u>-</u>
<u>Net Position</u>	
Net investment in capital assets	5,925,756
Unrestricted	<u>799,848</u>
Total Net Position	<u><u>\$ 6,725,604</u></u>

The notes to the financial statements are an integral part of this statement.

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

Year Ended June 30, 2013

	Food Service Fund
Operating Revenues:	
Lunchroom sales	\$ 2,554,449
Other operating revenues	<u>33,781</u>
Total Operating Revenues	2,588,230
Operating Expenses:	
Salaries and wages	2,027,730
Materials and supplies	2,161,484
Depreciation	175,074
Other operating expenses	<u>255,918</u>
Total Operating Expenses	<u>4,620,206</u>
Operating loss	(2,031,976)
Non-Operating Revenues (Expenses):	
Federal grants	1,381,407
Donated commodities	242,684
State on-behalf payments	258,431
State grants	41,333
Loss on disposal of capital assets	(856)
Interest income	<u>2,126</u>
Total Non-Operating Revenues (Expenses) before Transfers	1,925,125
Transfers out	<u>(189,616)</u>
Changes in net position	(296,467)
Net Position, July 1, 2012	<u>7,022,071</u>
Net Position June 30, 2013	<u><u>\$ 6,725,604</u></u>

The notes to the financial statements are an integral part of this statement.

OLDHAM COUNTY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2013

	Food Service Fund
Cash Flows from Operating Activities	
Cash received from:	
Lunchroom sales	\$ 2,554,449
Other activities	34,541
Cash paid to/for:	
Employees	1,769,299
Supplies	1,852,588
Other activities	255,918
Net Cash Used by Operating Activities	<u>(1,288,815)</u>
Cash flows from Non-Capital Financing Activities	
Federal grants	1,237,728
State grants	41,333
Transfers out	(189,616)
Net Cash Provided by Non-Capital Financing Activities	<u>1,089,445</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(26,235)
Net Cash Used by Capital and Related Financing Activities	<u>(26,235)</u>
Cash Flows from Investing Activities	
Receipt of interest income	2,126
Net decrease in cash and cash equivalents	(223,479)
Balances, beginning of year	<u>786,657</u>
Balances, end of year	<u><u>\$ 563,178</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (2,031,976)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	175,074
State on-behalf payments	258,431
Donated commodities	242,684
Change in assets and liabilities:	
Inventory	66,212
Accounts receivable	760
Net cash used by operating activities	<u><u>\$ (1,288,815)</u></u>
Schedule of non-cash transactions:	
Donated commodities received from federal government	<u>\$ 242,684</u>
State on-behalf payments	<u>\$ 258,431</u>

The notes to the financial statements are an integral part of this statement.

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2013

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 2,320,630
Receivables	<u>87,199</u>
Total Assets	<u>2,407,829</u>
Liabilities	
Accounts payable	85,839
Due to student groups	<u>2,321,990</u>
Total Liabilities	<u>2,407,829</u>
Net Position Held in Trust	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Oldham County School District (the "District") have been prepared to conform with Accounting Principles Generally Accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. 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. 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.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with GASB 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units", the criteria for inclusion in the reporting entity involve those cases where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete. Applying this definition, District management has determined that the component unit reportable within the accompanying financial statements is the Oldham County School District Finance Corporation, (the "Corporation"). 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 Board itself such as Boosters, Parent-Teacher Associations, etc.

Blended Component Unit - Oldham County School District Finance Corporation – In a prior year, 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. Therefore, the financial activities of the Corporation have been blended (reported as if it were part of the District) with those of the District. The Corporation does not publish individual component unit financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Government-wide Financial Statements

The Statement of Net Position 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.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of net position presents the financial condition of the governmental and business-type activities of the District at year-end. The government-wide 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 Governmental Funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The Proprietary Funds are accounted for on an "economic resources" measurement focus. Accordingly, the Statement of Revenues, Expenses and Changes in Fund Net Position for the Proprietary Funds reports increases and decreases in total economic net worth. The private purpose trust fund is reported using the economic resources measurement focus.

Governmental Funds

Governmental Funds are those through which most District functions are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in the Proprietary Fund and Fiduciary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income:

- (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.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- (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.
- (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 Funds).
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 Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs; and for the payment of interest on notes payable, as required by Kentucky Law. This is a major fund.

Proprietary Funds

Proprietary Funds are used to account for ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Operating expenses include salaries, benefits, supplies and other items. All items not meeting this definition are reported as nonoperating revenues and expenses. The District has one Proprietary 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 and for on-behalf payments for retirement and health insurance paid by the State of Kentucky. The Food Service Fund is a major fund.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District on behalf of outside related organizations or on behalf of other funds within the District.

- A. 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.

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers all revenues (with the exception of the expenditure-driven grants) as available if they are collected within sixty (60) days after year-end. The expenditure driven grants are considered available if received within one year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at year end when revenue is recognized for taxes received by the District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due/paid.

In applying the susceptible to accrual concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the District will receive any amounts; therefore, revenues are recognized based upon the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In all cases, monies received before the revenue recognition criteria have been met are reported as unearned revenue.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

Revenue Recognition

State Revenue Sources - Revenues from State sources for current operations are primarily from the Support Education Excellence in Kentucky ("SEEK"), administered by the Kentucky Department of Education ("KDE"). The District files reports on average daily attendance ("ADA") student membership with the KDE. The KDE accumulates information from these reports and calculates the allocation of SEEK funds to the District. After review and verification of ADA reports and supporting documentation, the KDE may adjust subsequent fiscal period allocations of SEEK funding. Normally, such adjustments are treated as reductions of revenue in the year the reduction is made, as amounts are not significant.

Property Taxes - On an accrual basis, property tax revenue anticipated to be collected is recognized in the fiscal year for which it is levied. Delinquent taxes collected in subsequent periods are recognized as revenue during the fiscal year in which they are received.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

C. BUDGETARY POLICIES

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.

D. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of an applicable appropriation, is utilized for budgetary control purposes. Encumbrances are not the equivalent of expenditures, and accordingly, amounts assigned for encumbrances at the governmental fund level indicate that portion of the fund balance segregated for expenditure upon vendor performance.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash equivalents are considered to be demand deposits, money market funds, and other investments with an original maturity of 90 days or less.

F. INVENTORIES

Inventories are valued at cost, which approximates market. The food service fund uses the specific identification method and the general fund uses the first-in, first-out method. The District's inventories include various items consisting of school supplies, paper, books, maintenance items, transportation items, commodities, etc. USDA commodities received from the Federal government are recorded at the value established by the Federal government using the average cost method.

G. PREPAID ITEMS

Payments made that will benefit periods beyond June 30, 2013, 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.

H. 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 position 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 position and in the respective funds. All capital assets greater than \$1,000 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 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

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

I. LONG-TERM DEBT

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). Debt issuance costs are reported as debt service expenditures. In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Bond premiums/discounts and issuance cost are amortized over the life of the bonds while deferred amounts on advance refundings are amortized over the shorter of the remaining life of the refunded bonds or the life of the new bonds both in a systematic and rational method, which approximates the effective-interest method.

J. COMPENSATED ABSENCES

Compensated absences are payments to employees for accumulated sick leave. These amounts also include the related employer's share of applicable taxes and retirement contributions. District employees may accumulate unused sick leave up to a specified amount depending on their date of hire. Sick leave is payable to employees upon termination or retirement at 30% of the current rate of pay on the date of termination or retirement. The District uses the termination method to calculate the compensated absences amounts. The entire compensated absence liability is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following year. An expenditure is recognized in the governmental fund as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

K. ACCOUNTING 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 financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

L. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

Recently Issued And Adopted Accounting Principles

In May 2009, the GASB issued Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 requires the use of new fund balance classifications and clarifies existing governmental fund type definitions. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2010. The District adopted GASB Statement 54 in fiscal year 2011. Required disclosure is reported in Note 9.

In June 2010, the GASB issued Statement 59, *Financial Instruments Omnibus*. GASB 59 updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. This Statement is effective for financial statements for periods beginning after June 15, 2010. The District adopted GASB Statement 59 in fiscal year 2011. The adoption of GASB 59 did not have any impact on the District's financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASB 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 15, 2011 and the District adopted GASB 60 in fiscal year 2013. The District does not have any SCAs and therefore the adoption of GASB 60 does not have any impact on the District's financial statements.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012 and the District adopted GASB 61 in fiscal year 2013.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AJCPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011 and the District adopted GASB 62 in fiscal year 2013. The adoption of GASB 62 does not have any impact on the District's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011 and the District adopted GASB 63 in fiscal year 2013.

In June 2011, the GASB issued Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions an amendment of GASB Statement No. 53*. GASB 64 provides clarification on whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement is effective for periods beginning after June 15, 2011 and the District adopted GASB 64 in fiscal year 2013. The adoption of GASB 64 does not have any impact on the District's current financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recently Issued Accounting Pronouncements

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In March 2012, the GASB issued Statement 66, *Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62*. GASB 66 was issued to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASB 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In March 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASB 70 requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

NOTE 2 – 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 receive 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. The property tax rates assessed for the year ended June 30, 2013, 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.

NOTE 3 – 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, 2013, \$22,139,208 of the District's bank balance of \$24,152,589 was exposed to custodial credit risk. The bank balance not covered by depository insurance was collateralized by securities held by the pledging financial institution.

NOTE 4 – INTERFUND ACTIVITIES

The following transfers were made during the year:

Fund Financial Statements

From Fund	To Fund	Purpose	Amount
General	Special Revenue	Technology Match	\$ 156,544
SEEK Capital Outlay	General	Cap Funds Request	983,634
FSPK Fund	General	Cap Funds Request	2,741,417
FSPK Fund	Construction	Construction	1,687,025
FSPK Fund	Debt Service	Debt Service	12,117,317
Debt Service	Construction	Bond Proceeds	6,375,613
Food Service	General	Indirect Costs	189,616

Government Wide Financial Statements

Food Service	General	Indirect Costs	189,616
--------------	---------	----------------	---------

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

Governmental Activities	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Non-Depreciable Assets:				
Land	\$ 11,684,870	\$ -	\$ -	\$ 11,684,870
Construction in progress	5,037,608	5,597,563	(1,984,976)	8,650,195
Depreciable Assets:				
Land improvements	3,431,175	735,393		4,166,568
Buildings and improvements	219,269,959	1,956,225		221,226,184
Infrastructure	2,694,930			2,694,930
Technology equipment	8,210,961	734,434	(243,611)	8,701,784
Vehicles	15,534,737	1,751,405	(1,761,786)	15,524,356
General equipment	2,208,060	8,713	(13,700)	2,203,073
Totals at historical cost	268,072,300	10,783,733	(4,004,073)	274,851,960
Accumulated depreciation:				
Land improvements	878,121	121,327		999,448
Buildings and improvements	49,223,291	4,746,604		53,969,895
Infrastructure	463,437	134,466		597,903
Technology equipment	5,584,975	944,970	(234,849)	6,295,096
Vehicles	8,725,450	1,128,034	(1,761,378)	8,092,106
General equipment	1,627,742	94,438	(13,261)	1,708,919
Total accumulated depreciation	66,503,016	7,169,839	(2,009,488)	71,663,367
Government Activities				
Capital Assets - Net	\$201,569,284	\$ 3,613,894	\$ (1,994,585)	\$ 203,188,593

Depreciation was charged to governmental functions as follows:

Instruction	\$ 5,554,350
Student support	13,629
Instructional staff	2,888
District administration	81,230
School administration	3,584
Business support	819
Plant	184,636
Transportation	1,328,420
Community services	283
	<u>\$ 7,169,839</u>

Business-Type Activities	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Depreciable Assets:				
Buildings and improvements	\$ 7,271,547	\$ -	\$ -	\$ 7,271,547
Technology equipment	13,549			13,549
Vehicles	22,624			22,624
General equipment	1,383,172	26,235	(1,560)	1,407,847
Totals at historical cost	8,690,892	26,235	(1,560)	8,715,567
Accumulated depreciation:				
Buildings and improvements	1,321,043	145,431		1,466,474
Technology equipment	13,537			13,537
Vehicles	7,919	4,525		12,444
General equipment	1,272,942	25,118	(704)	1,297,356
Total accumulated depreciation	2,615,441	175,074	(704)	2,789,811
Business-type Activities				
Capital Assets - Net	\$ 6,075,451	\$ (148,839)	\$ (856)	\$ 5,925,756

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for 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.

NOTE 7 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2013, is as follows:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities:					
Bonds and Leases Payable:					
Revenue bonds	\$145,830,000	\$ 37,395,000	\$ 35,455,000	\$ 147,770,000	\$ 7,430,000
Capital leases	6,069,928	1,802,643	1,660,008	6,212,563	818,310
	151,899,928	39,197,643	37,115,008	153,982,563	8,248,310
Less Discount	(1,606,753)	(328,722)	209,138	(1,726,337)	-
Less Deferred Amount on Refundings	(1,491,677)	(2,331,161)	393,822	(3,429,016)	-
Total Bonds and Leases Payable	148,801,498	36,537,760	37,717,968	148,827,210	8,248,310
Other Liabilities:					
Compensated absences	1,024,508	217,211	246,517	995,202	331,402
Claims	-	128,038	-	128,038	-
Total Other Liabilities	1,024,508	345,249	246,517	1,123,240	331,402
Total Governmental Activities Long-Term Liabilities	\$149,826,006	\$ 36,883,009	\$ 37,964,485	\$ 149,950,450	\$ 8,579,712

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 compensated absences.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2013

NOTE 7 – LONG-TERM LIABILITIES – CONTINUED

Bond Liabilities

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%
2012	6,540,000	2.00% - 4.00%
2012 Refunding	17,820,000	2.00%
2012 Refunding 2	13,035,000	2.00% - 2.40%

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 September 1, 2012, the District issued \$6,540,000 in 2012 Series Revenue Bonds with an average interest rate of 3.43 percent for construction. The net proceeds of \$6,375,613 (after \$50,660 in cost of issuance and \$113,727 of discount) were deposited in the Construction Fund.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2013

NOTE 7 – LONG-TERM LIABILITIES - CONTINUED

On July 1, 2012, the District issued \$17,820,000 in Refunding Revenue Bonds with an average interest rate of 2.06 percent to advance refund \$16,105,000 of outstanding 2004 Series revenue bonds. The refunding was a partial advance refunding. The net proceeds of \$17,628,578 (after \$106,280 in cost of issuance, \$84,645 in bond discount and \$497 in 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.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,523,578. This difference, reported in the accompanying government-wide financial statements as a deduction from bonds payable, is being charged to operations through the year 2024 using the effective-interest method.

The District completed the refunding to reduce its total debt service payments over the next 12 years by \$2,025,956 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,810,593. The bonds will be called on May 1, 2014. Therefore the \$16,105,000 is considered defeased.

On August 1, 2012, the District issued \$13,035,000 in Refunding Revenue Bonds with an average interest rate of 2.43 percent to advance refund \$12,010,000 of outstanding 2003 Series revenue bonds. The refunding was a partial advance refunding. The net proceeds of \$12,817,584 (after \$83,140 in cost of issuance, \$130,350 in bond discount and \$3,926 in 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.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$807,584. This difference, reported in the accompanying government-wide financial statements as a deduction from bonds payable, is being charged to operations through the year 2024 using the effective-interest method.

The District completed the refunding to reduce its total debt service payments over the next 12 years by \$1,746,914 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,530,213. The bonds were called on October 1, 2013. Therefore the \$12,010,000 is considered defeased.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2013

NOTE 7 – LONG-TERM LIABILITIES – 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, 2013, for debt service (principal and interest) are as follows:

Year	Principal	Interest	SFCC Participation	District's Portion
2014	\$ 7,430,000	\$ 5,206,079	\$ 369,974	\$ 12,266,105
2015	7,675,000	4,945,499	369,985	12,250,514
2016	7,905,000	4,715,313	369,970	12,250,343
2017	8,100,000	4,468,740	324,535	12,244,205
2018	8,330,000	4,212,061	295,052	12,247,009
2019-2023	45,710,000	16,984,110	1,214,193	61,479,917
2024-2028	55,170,000	8,363,089	260,023	63,273,066
2029-2033	7,450,000	668,855	-	8,118,855
	<u>\$ 147,770,000</u>	<u>\$ 49,563,746</u>	<u>\$ 3,203,732</u>	<u>\$ 194,130,014</u>

Capital Lease Liabilities

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

Classes of Property

Buses

Gross amount of assets	\$ 13,391,168
Accumulated amortization	6,614,730

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, 2013:

Year Ending June 30,	Capital Lease Payable
2014	\$ 977,506
2015	943,007
2016	908,952
2017	879,044
2018	878,531
2019-2023	<u>2,364,020</u>
Total minimum lease payments	6,951,060
Less: amount representing interest	<u>(738,497)</u>
Present value of net minimum lease payments	<u>\$6,212,563</u>

During FY 2013, the District purchased twenty buses under capital lease with a cost of \$1,802,643.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2013

NOTE 8 – PENSION PLANS

Plan Descriptions

The Oldham County School District participates in the Teachers' Retirement System of the State of Kentucky, a component unit of the Commonwealth of Kentucky (KTRS) and the County Employees' Retirement System, a component unit of the Commonwealth of Kentucky (CERS), cost-sharing multiple-employer defined benefit plans. KTRS and CERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. KTRS is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). Under the provisions of KRS Section 61.645, the Board of Trustees of Kentucky Retirement Systems (KERS) administers the CERS. The KTRS and CERS issue a publicly available financial report that includes financial statements and required supplementary information. KTRS' report may be obtained by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, KY 40601-3800 or by calling (502) 573-3266. CERS' report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601-6124 or by calling (502) 564-5656.

Funding Policy

KTRS plan members are required to contribute 10.855% of their covered salary. CERS plan members are required to contribute 5.0% (6.0% for new hires effective July 1, 2008) of their covered salary. The District is required to contribute to the CERS and the Commonwealth of Kentucky is required to contribute to the KTRS. The contribution rate is actuarially determined. The current rate for KTRS is 14.105% of annual covered payroll. The rate for CERS fiscal year 2013 is 19.55% of annual covered payroll. The contribution requirements of the plan members, the District and Commonwealth of Kentucky are established and may be amended by the Plans' Board of Trustees. The District's contributions to CERS for the years ended June 30, 2013, 2012 and 2011 were \$3,159,099, \$3,111,733 and \$2,707,716, respectively, equal to the required contributions for each year.

For the year ended June 30, 2013, the Commonwealth contributed \$6,599,163 to KTRS for the benefit of the District's participating employees. The District's contributions to the KTRS for the year ended June 30, 2013 were \$320,981.

The amount recognized for revenues and expenditures for on-behalf payments relating to fringe benefits such as pension and health care costs, and other operating costs, for the year ended June 30, 2013 was \$17,684,737 for governmental funds and \$258,431 for proprietary funds.

Medical Insurance Plan

Plan Description — In addition to the pension benefits described above, Kentucky Revised Statute 161.675 requires KTRS to provide post-retirement healthcare benefits to eligible members and dependents. The KTRS medical insurance benefit is a cost sharing multiple employer defined benefit plan. Changes made to the medical plan may be made by the KTRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

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

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2013

NOTE 8 – PENSION PLANS – CONTINUED

Funding Policy

In order to fund the post-employment healthcare benefit, active member contributions are matched by the state at .75% of members' gross salaries. Member contributions are 1.75% of salary. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan. Additionally, under the Shared Responsibility Plan, the local school district employers pay 1.0% of members' salary for the 2013 fiscal year.

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 457, 401(k) and 403(b). The Plans, 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 these financial statements.

NOTE 9 – FUND BALANCES

Nonspendable fund balances are those that cannot be spent on future obligations. At June 30, 2013, the nonspendable fund balances were \$88,128 for prepaids in the General Fund.

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, 2013, the District had \$497,601 restricted for compensated absences in the General Fund, \$138,179 restricted for grants in the special revenue fund, \$1,116 restricted for capital projects in the SEEK Capital Outlay Fund, \$394,369 restricted for capital projects in the FSPK Fund, \$3,504,482 restricted for capital projects in the Construction Fund and \$1,513,384 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 no commitments at June 30, 2013.

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 amounts assigned related to encumbrances at June 30, 2013, were \$65,832 recorded in the General 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. Amounts intended to be used for a specific purpose recorded in the General Fund were: \$711,551 for child care, \$532,447 for payroll, \$55,915 for interactive classroom, \$384,116 for site based carryforward and \$197,568 for instructional support services.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 9 – FUND BALANCES – CONTINUED

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 10 – 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 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 basic financial statements as a result of the cases presently in progress.

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. The District also has outstanding commitments for construction projects.

On January 14, 2013 the District was notified that in order to settle outstanding claims and deficits of the Kentucky School Boards Insurance Trust (KSBIT), a non-profit self-insured pool, an assessment would be made to present and prior insurance trust members. On June 26, 2013, members were notified that the KSBIT board voted on June 24, 2013 to submit a plan for the assessment to the Kentucky Department of Insurance in favor of a novation option, under which a highly rated reinsurer would assume all of the liabilities of KSBIT and its members for claims for a set amount. The option resulted in an estimated liability for the District of \$128,038. This estimate is recorded because the payment is probable and reasonably estimable. The estimate is recorded as a noncurrent liability in the Statement of Net Position as it is not expected to be paid by June 30, 2014, and as an extraordinary item in the Statement of Activities because the item is unusual in nature and infrequent in occurrence. The estimate is not recorded in the Statement of Revenues, Expenditures and Changes in Fund Balances because the amount has not been billed and is not mature.

NOTE 11 – DEFICIT OPERATING BALANCES

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

FSPK Fund	\$1,697,078
SEEK Capital Outlay Fund	607,500
Food Service Fund	296,467

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, 2013

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
From local sources:			
Taxes:			
Property	\$ 25,465,000	\$ 26,180,000	\$ 26,292,524
Motor vehicle	2,650,000	2,675,000	3,172,663
Utilities	3,200,000	3,200,000	3,413,710
Revenue in lieu of taxes	200,000	200,000	200,000
Earnings on investments	75,000	105,000	111,542
Other local revenues	2,407,000	663,000	2,089,393
Intergovernmental - State	37,257,402	54,857,731	55,473,324
Intergovernmental - Indirect Federal	60,000	100,000	213,837
Total Revenues	<u>71,314,402</u>	<u>87,980,731</u>	<u>90,966,993</u>
Expenditures:			
Instruction	47,544,834	58,359,530	58,236,195
Support services:			
Student	3,472,828	4,916,323	4,731,933
Instruction staff	2,753,642	3,868,414	3,597,308
District administrative	1,393,254	1,505,688	1,392,601
School administrative	4,936,669	6,149,427	6,260,495
Business	1,816,875	2,131,093	2,144,697
Plant operation and maintenance	6,924,358	7,839,349	8,028,824
Student transportation	6,273,203	7,357,713	8,627,914
Other non-instruction	6,482,447	6,147,474	1,849,600
Facilities acquisition and construction	329,817	342,220	307,793
Total Expenditures	<u>81,927,927</u>	<u>98,617,231</u>	<u>95,177,360</u>
Excess (Deficit) of Revenues over Expenditures	(10,613,525)	(10,636,500)	(4,210,367)
Other Financing Sources (Uses):			
Proceeds from sale of capital assets	10,000	10,000	97,923
Capital lease proceeds			1,802,643
Transfers in		150,000	3,914,667
Transfers out	(142,311)	(128,042)	(156,544)
Total Other Financing Sources (Uses)	<u>(132,311)</u>	<u>31,958</u>	<u>5,658,689</u>
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(10,745,836)	(10,604,542)	1,448,322
Fund Balance, July 1, 2012	<u>10,745,836</u>	<u>10,604,542</u>	<u>11,116,799</u>
Fund Balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,565,121</u>

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 \$17,684,737.

OLDHAM COUNTY SCHOOL DISTRICT

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

SPECIAL REVENUE FUND

Year Ended June 30, 2013

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
Other local revenues	\$ 249,331	\$ 436,613	\$ 899,934
Intergovernmental - State	1,553,796	1,577,690	1,643,372
Intergovernmental - Indirect Federal	3,190,131	3,391,395	3,111,048
Intergovernmental - Direct Federal	<u>638,381</u>	<u>642,888</u>	<u>642,888</u>
Total Revenues	5,631,639	6,048,586	6,297,242
Expenditures:			
Instruction	3,203,195	3,700,477	4,194,112
Support services:			
Student	1,171,426	1,293,110	1,246,854
Instruction staff	1,276,610	1,102,357	916,578
Student transportation	45,898	2,046	2,045
Community service activities	<u>76,821</u>	<u>79,268</u>	<u>73,218</u>
Total Expenditures	<u>5,773,950</u>	<u>6,177,258</u>	<u>6,432,807</u>
Excess (Deficit) of Revenues over Expenditures	(142,311)	(128,672)	(135,565)
Other Financing Sources (Uses):			
Transfers in	498,882		
Transfers out	<u>(356,571)</u>	<u>128,672</u>	<u>156,544</u>
Total Other Financing Sources (Uses)	<u>142,311</u>	<u>128,672</u>	<u>156,544</u>
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	-	-	20,979
Fund Balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>117,200</u>
Fund Balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,179</u>

SUPPLEMENTARY INFORMATION

OLDHAM COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS

June 30, 2013

	Buckner Elementary	Camden Elementary	Centerfield Elementary	Crestwood Elementary	Goshen Elementary	Harmony Elementary
Assets						
Cash and cash equivalents	\$ 58,858	\$ 39,432	\$ 32,836	\$ 58,930	\$ 64,132	\$ 166,803
Receivables	4,919	-	1,830	20,007	19,616	18,081
Total Assets	<u>\$ 63,777</u>	<u>\$ 39,432</u>	<u>\$ 34,666</u>	<u>\$ 78,937</u>	<u>\$ 83,748</u>	<u>\$ 184,884</u>
Liabilities						
Accounts payable	\$ 716	\$ 248	\$ 2,626	\$ 3,094	\$ 1,844	\$ 2,046
Due to student groups	63,061	39,184	32,040	75,843	81,904	182,838
Total Liabilities	<u>\$ 63,777</u>	<u>\$ 39,432</u>	<u>\$ 34,666</u>	<u>\$ 78,937</u>	<u>\$ 83,748</u>	<u>\$ 184,884</u>
	Kenwood Elementary	Lagrange Elementary	Liberty Elementary	Locust Grove Elementary	East Oldham Middle	North Oldham Middle
Assets						
Cash and cash equivalents	\$ 173,936	\$ 46,470	\$ 80,656	\$ 23,444	\$ 96,909	\$ 163,517
Receivables	-	4,120	5,405	-	-	451
Total Assets	<u>\$ 173,936</u>	<u>\$ 50,590</u>	<u>\$ 86,061</u>	<u>\$ 23,444</u>	<u>\$ 96,909</u>	<u>\$ 163,968</u>
Liabilities						
Accounts payable	\$ 2,429	\$ 2,684	\$ 39	\$ 1,276	\$ 1,816	\$ 2,662
Due to student groups	171,507	47,906	86,022	22,168	95,093	161,306
Total Liabilities	<u>\$ 173,936</u>	<u>\$ 50,590</u>	<u>\$ 86,061</u>	<u>\$ 23,444</u>	<u>\$ 96,909</u>	<u>\$ 163,968</u>
	Oldham Middle	South Oldham Middle	Bucker Alternative	North Oldham High	Oldham High	South Oldham High
Assets						
Cash and cash equivalents	\$ 110,034	\$ 98,377	\$ 202	\$ 299,204	\$ 413,398	\$ 393,492
Receivables	6,820	-	-	-	-	5,950
Total Assets	<u>\$ 116,854</u>	<u>\$ 98,377</u>	<u>\$ 202</u>	<u>\$ 299,204</u>	<u>\$ 413,398</u>	<u>\$ 399,442</u>
Liabilities						
Accounts payable	\$ 6,877	\$ 3,170	\$ -	\$ 23,919	\$ 26,963	\$ 3,430
Due to student groups	109,977	95,207	202	275,285	386,435	396,012
Total Liabilities	<u>\$ 116,854</u>	<u>\$ 98,377</u>	<u>\$ 202</u>	<u>\$ 299,204</u>	<u>\$ 413,398</u>	<u>\$ 399,442</u>
	Total Agency Fund					
Assets						
Cash and cash equivalents	\$ 2,320,630					
Receivables	87,199					
Total Assets	<u>\$ 2,407,829</u>					
Liabilities						
Accounts payable	\$ 85,839					
Due to student groups	2,321,990					
Total Liabilities	<u>\$ 2,407,829</u>					

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

June 30, 2013

SCHOOL	CASH		DISBURSE- MENTS	CASH		ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES July 1, 2012	RECEIPTS		BALANCES June 30, 2013	RECEIVABLES June 30, 2013		
Buckner Elementary	\$ 140,554	\$ 357,518	\$ 439,214	58,858	\$ 4,919	\$ 716	\$ 63,061
Camden Elementary	236,144	475,791	672,503	39,432	-	248	39,184
Centerfield Elementary	62,511	369,593	399,268	32,836	1,830	2,626	32,040
Crestwood Elementary	64,836	532,681	538,587	58,930	20,007	3,094	75,843
Goshen Elementary	181,443	547,329	664,640	64,132	19,616	1,844	81,904
Harmony Elementary	446,165	702,759	982,121	166,803	18,081	2,046	182,838
Kenwood Elementary	359,913	1,052,404	1,238,381	173,936	-	2,429	171,507
Lagrange Elementary	73,236	362,076	388,842	46,470	4,120	2,684	47,906
Liberty Elementary	200,092	194,888	314,324	80,656	5,405	39	86,022
Locust Grove Elementary	77,571	466,938	521,065	23,444	-	1,276	22,168
East Oldham Middle	69,867	390,534	363,492	96,909	-	1,816	95,093
North Oldham Middle	163,621	348,992	349,096	163,517	451	2,662	161,306
Oldham Middle	102,422	489,722	482,110	110,034	6,820	6,877	109,977
South Oldham Middle	108,055	335,347	345,025	98,377	-	3,170	95,207
Buckner Alternative	500	2,495	2,793	202	-	-	202
North Oldham High	294,583	971,832	967,211	299,204	-	23,919	275,285
Oldham High	498,489	1,347,409	1,432,500	413,398	-	26,963	386,435
South Oldham High	310,130	1,161,129	1,077,767	393,492	5,950	3,430	396,012
	<u>\$ 3,390,132</u>	<u>\$ 10,109,437</u>	<u>\$ 11,178,939</u>	<u>\$ 2,320,630</u>	<u>\$ 87,199</u>	<u>\$ 85,839</u>	<u>\$ 2,321,990</u>

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

NORTH OLDHAM HIGH SCHOOL

YEAR ENDED JUNE 30, 2013

NAME OF ACTIVITY	CASH	RECEIPTS	DISBURSE- MENTS	CASH	RECEIVABLES	ACCOUNTS	DUE TO
	BALANCES			BALANCES		PAYABLE	STUDENT
	July 1, 2012			June 30, 2013	June 30, 2013	June 30, 2013	GROUPS
							June 30, 2013
Vending - Student	\$ -	\$ 738	\$ 184	\$ 554	\$ -	\$ -	\$ 554
Vending - Teacher	460	5,501	5,443	518	-	139	379
Technology	826	10,095	10,236	685	-	-	685
Parking Passes	10,212	6,259	407	16,064	-	7,416	8,648
Locker Fees	7,961	4,790	1,387	11,364	-	-	11,364
Grants	1,375	983	1,783	575	-	575	-
Debate	-	1,695	913	782	-	-	782
Environmental Club	88	256	193	151	-	-	151
Broadcast	1,486	3,039	3,762	763	-	-	763
Textbook Fees	-	559	559	-	-	-	-
Student Fees	-	142,222	142,222	-	-	-	-
Newspaper	355	5,867	3,792	2,430	-	-	2,430
Academic Team	179	2,135	1,598	716	-	-	716
Mustang Mentors	90	-	19	71	-	-	71
Business Dept	-	585	20	565	-	-	565
General	25,661	24,487	18,363	31,785	-	170	31,615
Testing - AP	10,679	52,502	50,801	12,380	-	-	12,380
Testing - ACT	7,559	11,537	5,629	13,467	-	-	13,467
Testing - PSAT	123	3,483	3,416	190	-	-	190
English	5,039	9,838	7,972	6,905	-	-	6,905
Louisville After Nort	14	3,096	2,596	514	-	-	514
Athletics	29,602	144,982	160,574	14,010	-	6,215	7,795
Boys Basketball	24,566	34,197	36,056	22,707	-	1,637	21,070
Girls Basketball	905	9,491	9,508	888	-	-	888
Baseball	9,651	41,133	43,838	6,946	-	-	6,946
Football	2,811	22,571	24,603	779	-	-	779
Football - Touchdown	7,440	17,551	16,626	8,365	-	-	8,365
Boys Golf	293	4,295	3,821	767	-	-	767
Girls Golf	359	320	236	443	-	-	443
Cheerleadng	12,644	37,652	38,178	12,118	-	-	12,118
Dance Team	5,338	16,038	20,230	1,146	-	-	1,146
Boys Soccer	6,503	21,564	18,721	9,346	-	-	9,346
Girls Soccer	5,801	7,932	11,833	1,900	-	-	1,900
Son Cup - Girls Soccer	-	18,965	18,665	300	-	-	300
Boys Tennis	-	4,444	3,544	900	-	-	900
Girls Tennis	-	4,143	3,330	813	-	-	813
Volleyball	2,887	21,263	22,376	1,774	-	-	1,774
Track - Boys	2,132	5,113	4,742	2,503	-	-	2,503
Track - Girls	1,728	13,956	12,139	3,545	-	130	3,415
Cross Country - Boys	6,863	15,745	13,571	9,037	-	-	9,037
Cross Country - Girls	9,134	10,439	10,804	8,769	-	-	8,769
Rumble - Crpss Country	-	26,118	26,118	-	-	-	-
Swim Team	315	14,593	14,669	239	-	-	239
Wrestling	2,724	8,561	9,907	1,378	-	-	1,378
Softball	2,586	21,154	22,274	1,466	-	-	1,466
Field Hockey	605	5,387	4,902	1,090	-	-	1,090
LaCrosse - Boys	3,308	17,053	20,050	311	-	-	311
LaCrosse - Girls	3,390	5,492	5,892	2,990	-	-	2,990
Student Government	456	-	-	456	-	-	456
FCA	26	-	-	26	-	-	26
Men's Leadership Class	110	-	-	110	-	-	110
Female Leadership	209	-	-	209	-	-	209
Art	3,659	13,307	13,879	3,087	-	-	3,087
National Honor Society	1,171	2,020	1,359	1,832	-	-	1,832
Yearbook	10,145	67,444	64,375	13,214	-	-	13,214
Beta Club	1,769	2,454	2,367	1,856	-	-	1,856
Donations	24,090	12,720	12,331	24,479	-	1,587	22,892
Foreign Language	3,674	1,860	1,423	4,111	-	-	4,111
KYA/KUNA	979	20,076	19,373	1,682	-	-	1,682
Science	5,276	16,902	20,651	1,527	-	-	1,527
Science - Marine Biology	-	24,111	22,372	1,739	-	-	1,739
Photography Club	13	-	-	13	-	-	13
National Art Honor Society	77	537	415	199	-	-	199
Physical Education	-	-	-	-	-	-	-

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

NORTH OLDHAM HIGH SCHOOL

YEAR ENDED JUNE 30, 2013

NAME OF ACTIVITY	CASH BALANCES July 1, 2012	RECEIPTS	DISBURSE- MENTS	CASH BALANCES June 30, 2013	RECEIVABLES June 30, 2013	ACCOUNTS PAYABLE June 30, 2013	DUE TO STUDENT GROUPS June 30, 2013
Math Department	414	2,600	1,590	1,424	-	-	1,424
Speech	-	10,398	8,025	2,373	-	-	2,373
Band	75	17,758	15,652	2,181	-	1,244	937
Social Studies	10,288	6,756	12,228	4,816	-	210	4,606
Chorus	3,482	56,066	58,596	952	-	-	952
Drama	369	110	10	469	-	-	469
Media Center	1,401	2,560	1,740	2,221	-	-	2,221
Ski Club	-	4,204	3,614	590	-	-	590
Community Project	511	4,645	3,394	1,762	-	-	1,762
Senior Project	-	-	-	-	-	-	-
Class of 2013	6,438	-	4,114	2,324	-	2,324	-
Class of 2013	4,899	29,316	29,501	4,714	-	2,272	2,442
Class of 2014	5	8,990	4,641	4,354	-	-	4,354
Class of 2015	1,355	-	-	1,355	-	-	1,355
Class of 2016	-	120	-	120	-	-	120
Sub Total	<u>\$ 294,583</u>	<u>\$ 1,144,773</u>	<u>\$ 1,140,152</u>	<u>\$ 299,204</u>	<u>\$ -</u>	<u>\$ 23,919</u>	<u>\$ 275,285</u>
Interfund Transfers		<u>172,941</u>	<u>172,941</u>				
Total	<u>\$ 294,583</u>	<u>\$ 971,832</u>	<u>\$ 967,211</u>	<u>\$ 299,204</u>	<u>\$ -</u>	<u>\$ 23,919</u>	<u>\$ 275,285</u>

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

OLDHAM COUNTY HIGH SCHOOL

YEAR ENDED JUNE 30, 2013

NAME OF ACTIVITY	CASH		DISBURSEMENTS	CASH		ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES	RECEIPTS		BALANCES	RECEIVABLES		
	July 1, 2012			June 30, 2013	June 30, 2013	June 30, 2013	June 30, 2013
Agriculture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Art	40	6,476	6,354	162	-	-	162
Athletic General	26,389	157,737	164,812	19,314	-	13,941	5,373
Archery Club	-	276	276	-	-	-	-
Baseball	6,183	39,828	41,571	4,440	-	425	4,015
Basic Student Fee	-	192,334	192,248	86	-	-	86
Band	552	84,125	84,177	500	-	500	-
Boys Basketball	7,434	39,789	26,536	20,687	-	-	20,687
Girls Basketball	3,370	20,374	18,255	5,489	-	1,075	4,414
Beta Club	1,532	5,109	5,281	1,360	-	400	960
Bookstore	-	3,914	13	3,901	-	-	3,901
Business	-	881	881	-	-	-	-
Cheerleading	13,574	23,234	29,977	6,831	-	1,884	4,947
Choral Music	10,206	15,838	18,225	7,819	-	-	7,819
Y Club	1,432	39,957	40,944	445	-	-	445
Technology	-	14,774	14,450	324	-	-	324
Pep Club	3	3,072	2,992	83	-	-	83
Debate Class	-	-	-	-	-	-	-
Cross Country	6,840	20,091	15,078	11,853	-	-	11,853
Speech Team	89	-	89	-	-	-	-
Broadcast Journalism	2,134	7,611	8,224	1,521	-	-	1,521
English	5,317	5,889	5,099	6,107	-	-	6,107
Little Colonel Child	6,380	167,468	173,277	571	-	157	414
Textbook Supplement	2,059	73,141	75,200	-	-	-	-
Faculty Fund	-	753	619	134	-	-	134
Humanities	-	4,660	3,456	1,204	-	-	1,204
Football	12,260	30,863	38,690	4,433	-	1,120	3,313
World Language	-	18,240	18,240	-	-	-	-
Freshmen	107	1,510	1,522	95	-	-	95
FBLA	269	446	418	297	-	-	297
FFA	2,987	12,785	11,954	3,818	-	700	3,118
FCCLA	2,115	7,759	8,480	1,394	-	-	1,394
FEA	-	935	609	326	-	-	326
General	3,551	39,481	39,152	3,880	-	-	3,880
Golf	1,142	8,071	8,095	1,118	-	-	1,118
Guidance	206	70,712	69,286	1,632	-	205	1,427
Family/Consumer Science	2,838	4,287	6,005	1,120	-	-	1,120
National Honor Society	581	1,880	2,155	306	-	-	306
Industrial Arts	4,240	4,955	5,499	3,696	-	-	3,696
STLP Club	-	-	-	-	-	-	-
Juniors	15,205	35,797	44,550	6,452	-	91	6,361
Library	1,964	1,082	1,289	1,757	-	-	1,757
Literary Club	2,003	5,175	4,040	3,138	-	-	3,138
Lacrosse	2,298	4,854	7,152	-	-	-	-
Math	-	1,633	1,281	352	-	-	352
Physical Education	57	3,460	2,938	579	-	-	579
Sigma Sigma Gamma	2,794	9,596	8,977	3,413	-	-	3,413
ACT Prep	-	-	-	-	-	-	-
Scholarship	10,116	3,000	2,508	10,608	-	1,500	9,108
Scholastic Competition	-	299	299	-	-	-	-
School Paper	3,466	13,680	11,184	5,962	-	-	5,962
School Pictures	-	-	-	-	-	-	-
Science	7,422	19,193	23,539	3,076	-	201	2,875
Science Club	648	24,641	24,723	566	-	-	566
Seniors	10,959	49,412	44,359	16,012	-	719	15,293
Boys Soccer	3,271	11,582	13,239	1,614	-	-	1,614
Girls Soccer	6,515	14,050	18,503	2,062	-	500	1,562
Social Studies	-	-	-	-	-	-	-
Softball	2,161	20,526	18,596	4,091	-	1,854	2,237
Sophomores	-	3,266	2,654	612	-	-	612
Special Ed/LD EMH	-	-	-	-	-	-	-
Special Ed/TMH	22	1,202	1,206	18	-	-	18

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

OLDHAM COUNTY HIGH SCHOOL - CONCLUDED

YEAR ENDED JUNE 30, 2013

NAME OF ACTIVITY	CASH		DISBURSE- MENTS	CASH		ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES July 1, 2012	RECEIPTS		BALANCES June 30, 2013	RECEIVABLES June 30, 2013		
Senior Fraternity	7	705	549	163	-	-	163
Theatre Production	3,479	10,072	8,385	5,166	-	300	4,866
Technology	-	5,144	5,144	-	-	-	-
Young Republicans	120	40	-	160	-	-	160
Tennis	2,186	5,071	2,542	4,715	-	480	4,235
Videograming/Improv	267	220	350	137	-	-	137
Textbook Replacement	274	1,256	332	1,198	-	-	1,198
Theater/Drama	-	1,658	1,534	124	-	-	124
Track	2,382	19,799	22,023	158	-	-	158
Lockerroom Facility	-	-	-	-	-	-	-
Vending General	5,052	4,560	1,675	7,937	-	-	7,937
Vending Pop	27,511	18,904	6,051	40,364	-	-	40,364
Vending Faculty	2,203	14,927	16,232	898	-	453	445
Volleyball	5,199	12,201	12,092	5,308	-	-	5,308
Wrestling	7,168	9,652	13,472	3,348	-	-	3,348
Xerox/Supply	-	-	-	-	-	-	-
Yearbook	45,568	69,400	94,997	19,971	-	-	19,971
Special Projects	114,900	22,042	29,748	107,194	-	-	107,194
FCA	-	-	-	-	-	-	-
Swim Team	-	7,644	7,644	-	-	-	-
Alumni	4,945	1,467	6,412	-	-	-	-
Dance Team	1,521	21,505	15,305	7,721	-	458	7,263
Certificate of Deposit	18,560	13	-	18,573	-	-	18,573
Savings Account	64,417	91	49,503	15,005	-	-	15,005
Sub Total	\$ 498,490	\$ 1,578,074	\$ 1,663,166	\$ 413,398	\$ -	\$ 26,963	\$ 386,435
Interfund Transfers	-	230,666	230,666	-	-	-	-
Total	\$ 498,490	\$ 1,347,408	\$ 1,432,500	\$ 413,398	\$ -	\$ 26,963	\$ 386,435

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

SOUTH OLDHAM HIGH SCHOOL

YEAR ENDED JUNE 30, 2013

NAME OF ACTIVITY	CASH		DISBURSE- MENTS	CASH		ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES July 1, 2012	RECEIPTS		BALANCES June 30, 2013	RECEIVABLES June 30, 2013		
Band, Concert	\$ -	\$ 17,850	\$ 14,970	2,880	\$ -	\$ -	\$ 2,880
Art	210	10,081	9,873	418	-	-	418
National Arts Society	410	390	627	173	-	-	173
Athletic, General	5,006	184,314	171,528	17,792	-	14	17,778
Background Checks	-	460	450	10	-	-	10
Baseball	5,939	21,869	21,885	5,923	-	1,385	4,538
ACT/SAT Prep Course	-	3,431	606	2,825	-	-	2,825
Basketball, Boys	8,994	26,136	28,820	6,310	-	-	6,310
Basketball, Girls	163	20,700	20,074	789	-	-	789
Beta	2,526	11,803	13,149	1,180	-	-	1,180
Bookstore	4,241	1,697	686	5,252	-	-	5,252
Book/Course Fees	-	241,389	241,389	-	-	-	-
Broadway Beats	-	100	-	100	-	-	100
Cheerleadng	5,917	31,767	32,456	5,228	-	-	5,228
Team Hope	-	-	-	-	-	-	-
Choral Music	1,764	44,372	44,774	1,362	-	-	1,362
Diplomacy Club	920	30,298	31,218	-	-	-	-
Dragon Club	-	-	-	-	-	-	-
CLEP Testing	-	-	-	-	-	-	-
Dual Credit	-	2,220	2,220	-	-	-	-
Cross Country	3,889	15,828	14,770	4,947	-	-	4,947
Debate	223	75	298	-	-	-	-
Dance Team	1,712	10,887	9,358	3,241	-	-	3,241
Dragon Stadium	1,621	5,000	-	6,621	-	-	6,621
English	-	26,621	26,621	-	-	-	-
Textbooks	-	49,793	46,978	2,815	-	-	2,815
Faculty Fund	179	336	343	172	-	-	172
Field Hockey	3,086	19,007	12,903	9,190	-	-	9,190
Student Recognition	-	27,743	27,730	13	-	13	-
Marine Bio/Field Trip	2,013	37,910	38,400	1,523	-	-	1,523
Football	2,618	33,807	35,369	1,056	5,655	300	6,411
Foreign Language	-	9,772	8,113	1,659	-	-	1,659
French Club	21	-	15	6	-	-	6
Freshman Class	-	4,786	4,786	-	-	-	-
FCCLA	2,995	6,359	8,234	1,120	-	-	1,120
FCCLA Reg. #6	2,830	1,801	1,077	3,554	-	-	3,554
General	52,399	47,792	43,849	56,342	-	-	56,342
General - Savings	-	35	35	-	-	-	-
Golf, Boys	1,741	166	1,089	818	-	-	818
Golf, Girls	486	395	324	557	-	-	557
Guidance	-	671	380	291	-	-	291
Family & Consumer Science	-	7,184	6,802	382	-	-	382
Honor Society	749	1,310	1,653	406	-	-	406
Ind Arts	-	8,333	8,071	262	-	-	262
Junior Class	1,398	18,158	16,809	2,747	-	-	2,747
Library	234	1,114	1,047	301	-	-	301
Lacrosse	7,049	14,721	14,526	7,244	-	-	7,244
Link Crew	769	1,500	1,467	802	-	-	802
Locker	10,143	4,811	-	14,954	-	-	14,954
Parking Sticker	6,807	6,900	7,858	5,849	-	-	5,849
Math	115	1,503	187	1,431	-	-	1,431
German Club	7	476	482	1	-	-	1
Mu Alpha Theta	-	445	344	101	-	-	101
NAC/Nutritional Advisory	-	3,483	-	3,483	-	-	3,483
PE/Health	-	50	50	-	-	-	-
Dragon Spirit Pep Club	4	3,449	3,275	178	-	-	178
Scholarships	7,887	5,100	4,400	8,587	-	-	8,587
Scholastic Competition	-	230	230	-	-	-	-
School Paper	6,454	8,913	9,051	6,316	205	-	6,521
School Pictures	-	2,508	2,508	-	-	-	-
Science	-	14,442	13,989	453	-	-	453
Senior Class	11,576	32,475	27,059	16,992	-	718	16,274
Spanish Club	-	-	-	-	-	-	-
Spanish Honor Society	215	1,458	1,419	254	-	-	254
Soccer, Boys	809	11,002	8,807	3,004	-	-	3,004

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

SOUTH OLDHAM HIGH SCHOOL - CONCLUDED

YEAR ENDED JUNE 30, 2013

NAME OF ACTIVITY	CASH		DISBURSE- MENTS	CASH		ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES July 1, 2012	RECEIPTS		BALANCES June 30, 2013	RECEIVABLES June 30, 2013		
Soccer, Girls	9,458	16,378	8,903	16,933	-	-	16,933
Social Studies	2,850	5,924	6,524	2,250	-	-	2,250
Softball	2,330	5,643	7,922	51	-	-	51
Sophomore Class	2,769	524	-	3,293	-	-	3,293
Special Ed - LD/MMD	-	584	584	-	-	-	-
Special Ed - TMD	124	349	459	14	-	-	14
STLP - Broadcast Journalism	-	594	503	91	-	-	91
STEP Club	-	-	-	-	-	-	-
Student Council	143	815	808	150	-	-	150
Technology	2,655	19,879	17,541	4,993	-	-	4,993
Interact Club	751	35	15	771	-	-	771
Tennis, Boys	488	521	979	30	-	-	30
Tennis, Girls	380	1,110	566	924	-	-	924
Testing	-	64,056	64,056	-	-	-	-
Textbook Replacement	6,475	900	649	6,726	-	-	6,726
Theatre	2,290	9,280	9,478	2,092	-	-	2,092
Track	2,021	184	1,901	304	-	-	304
Vandalism	-	2,500	2,150	350	-	-	350
Vending General	1,278	1,026	-	2,304	-	-	2,304
Staff Vending	4,021	12,175	11,245	4,951	-	-	4,951
Vending Pop	18,446	19,005	25,886	11,565	-	-	11,565
Ski Club	1,693	4,222	4,907	1,008	-	-	1,008
Volleyball	2,730	3,051	1,701	4,080	-	-	4,080
Wrestling	20,419	38,155	36,167	22,407	-	-	22,407
Xerox/Supply	8,182	52,737	35,427	25,492	-	1,000	24,492
Yearbook	43,022	55,175	42,367	55,830	90	-	55,920
Youth Step Up	-	266	243	23	-	-	23
Grants/Special Projects	5,371	5,793	6,285	4,879	-	-	4,879
FCA	63	-	15	48	-	-	48
Swim Team	6,052	15,685	17,718	4,019	-	-	4,019
Sub Total	\$ 310,130	\$ 1,433,792	\$ 1,350,430	\$ 393,492	\$ 5,950	\$ 3,430	\$ 396,012
Interfund Transfers	-	272,665	272,665	-	-	-	-
Total	\$ 310,130	\$ 1,161,127	\$ 1,077,765	\$ 393,492	\$ 5,950	\$ 3,430	\$ 396,012

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BUCKNER ALTERNATIVE SCHOOL

YEAR ENDED JUNE 30, 2013

<u>NAME OF ACTIVITY</u>	<u>CASH BALANCES July 1, 2012</u>	<u>RECEIPTS</u>	<u>DISBURSE- MENTS</u>	<u>CASH BALANCES June 30, 2013</u>	<u>RECEIVABLES June 30, 2013</u>	<u>ACCOUNTS PAYABLE June 30, 2013</u>	<u>DUE TO STUDENT GROUPS June 30, 2013</u>
GENERAL	\$ 500	\$ 2,495	\$ 2,793	\$ 202	\$ -	\$ -	\$ 202
Subtotal	500	2,495	2,793	202	-	-	202
Interfund Transfers	-	-	-	-	-	-	-
TOTAL	<u>\$ 500</u>	<u>\$ 2,495</u>	<u>\$ 2,793</u>	<u>\$ 202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

OLDHAM COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

<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 -			
Passed Through State Department of Education:			
National School Lunch	10.555	7750002-12	\$ 189,389
		7750002-13	920,762
School Breakfast Program	10.553	7760005-12	45,270
		7760005-13	225,985
Non-Cash Assistance (Commodities)			
National School Lunch Program	10.555	057502-02	<u>242,685</u>
TOTAL CHILD NUTRITION CLUSTER			<u>1,624,091</u>
TOTAL U.S. DEPT. OF AGRICULTURE			<u>1,624,091</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Special Education Cluster -			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	3372	(40,825)
		3372C	17,640
		3373	1,629,026
		3373C	251,903
		3373P	<u>24,769</u>
			<u>1,882,513</u>
Special Education - Preschool Grants	84.173	3432C	6,641
		3433	17,595
		3433C	<u>6,274</u>
			<u>30,510</u>
TOTAL SPECIAL EDUCATION CLUSTER			<u>1,913,023</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	823
		3102	94,246
		3102M	1,861
		3103	566,222
		3103D	3,405
		3202	<u>15,787</u>
			<u>682,344</u>
Vocational Education - Basic Grants to States	84.048	3482A	2,409
		3482S	1,700
		3483	<u>66,857</u>
			<u>70,966</u>
English Language Acquisition Grants	84.365	3453	<u>41,457</u>
Improving Teacher Quality - State Grants	84.367	4011	282
		4012	30,134
		4013	<u>208,775</u>
			<u>239,191</u>
ARRA - School Improvement Grants, Recovery Act	84.388A	5600B	15,526
		5600C	<u>35,311</u>
			<u>50,837</u>
Education Jobs	84.410	4411	<u>14,812</u>

The accompanying notes are an integral part of this schedule.

OLDHAM COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

<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>
Passed Through Cabinet for Workforce Development Adult Education - State Grant Program	84.002	3651 3732 3732S	10,471 87,116 <u>833</u> <u>98,420</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>3,111,050</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Head Start Cluster Head Start	93.600	6553	<u>642,888</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>642,888</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,378,029</u>

The accompanying notes are an integral part of this schedule.

OLDHAM COUNTY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2013

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, 2013. 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, 2013**

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued (unmodified):

Internal control over financial reporting:

- Material weakness(es) identified? _____yes ___X___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 (unmodified):

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____yes ___X___no

Section I-Summary of Auditor's Results - Continued

Identification of major programs:

<u>CFDA Number</u>	<u>Federal Program or Cluster</u>
DEPARTMENT OF EDUCATION	
Special Education Cluster	
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.010	Title I Grants to Local Educational Agencies
DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.600	Head Start

Dollar threshold used to distinguish
Between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

yes no

Section II – Financial Statement Findings

No matters

Section III – Federal Award Findings and Questioned Costs

No matters

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

OLDHAM COUNTY SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2013

There were no prior audit findings.

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

CHRIS R. CARTER, CPA
SCOTT KISSELBAUGH, CPA
BRIAN S. WOOSLEY, 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.scacpa.com

MEMBER
AMERICAN INSTITUTE
OF CPAs
KENTUCKY SOCIETY
OF CPAs

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the 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 requirements prescribed by the Kentucky State Committee for School District Audits in Appendices I and II of the *Independent Auditor's Contract*, the 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, 2013, and the related notes to the financial statements, which collectively comprise Oldham County School District's basic financial statements, and have issued our report thereon dated October 15, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oldham County School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oldham County School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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 the *Independent Auditor's Contract*.

We noted certain matters that we reported to management of Oldham County School District in a separate letter dated October 15, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants
Elizabethtown, Kentucky
October 15, 2013

**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**

CHRIS R. CARTER, CPA
SCOTT KISSELBAUGH, CPA
BRIAN S. WOOSLEY, 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.scacpa.com

MEMBER
AMERICAN INSTITUTE
OF CPAs
KENTUCKY SOCIETY
OF CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Oldham County School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Oldham County School District's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Oldham County School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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* and the requirements prescribed by the Kentucky State Committee for School District Audits in Appendices I and II of the Independent Auditor's Contract. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Oldham County School District's compliance

Opinion on Each Major Federal Program

In our opinion, Oldham County School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Oldham County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Oldham County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program 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. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
Elizabethtown, Kentucky
October 15, 2013

MANAGEMENT LETTER AND COMMENTS

CHRIS R. CARTER, CPA
SCOTT KISSELBAUGH, CPA
BRIAN S. WOOSLEY, 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.scacpa.com

MEMBER
AMERICAN INSTITUTE
OF CPAs
KENTUCKY SOCIETY
OF CPAs

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, 2013, 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 15, 2013, contains our report on the District's internal control. This letter does not affect our report dated October 15, 2013, 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 black ink that reads "Stiles, Carter & Associates". The signature is written in a cursive, flowing style.

Certified Public Accountants
Elizabethtown, Kentucky
October 15, 2013

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS

June 30, 2013

2nd YEAR UNCORRECTED COMMENTS

GOSHEN ELEMENTARY SCHOOL

MISSING INVOICE

We noted check #18883, in the amount of \$350.00, dated 8/24/12, written for a refund an overpayment of Kindergarten Fees out of the Kindergarten Fees Activity Fund without a F-SA-8, Standard Invoice. The Redbook requires a vendor invoice or an F-SA-8 signed by the payee to document the purchase.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY HIGH SCHOOL

MULTIPLE RECEIPT FORMS

We noted the following deposits with F-SA-6, Multiple Receipt Forms, without student signatures but were completed by the person collecting the funds: deposit in the amount of \$1,345.50, dated 9/19/12, deposit in the amount of \$7,630.50, dated 11/14/12, deposit in the amount of \$18,985.21, dated 1/23/13, and a deposit in the amount of \$25,864.10, dated 5/6/13.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNTIMELY DEPOSIT

We noted a deposit in the amount of \$18,985.21, dated 1/23/13, with the following receipts not deposited in a timely manner: receipt of \$800.00 and \$10.00, both dated 1/16/13, for the Broadcasting Activity Fund, receipts of \$4,971.21, dated 1/18/13 by the sponsors of Basic Student Fees, Senior, Sigma Sigma Gamma, FFA, Athletics, Humanities, Track, Little Colonel Daycare, and receipts of \$2,810.00, dated 1/19/13 for Girls Basketball and Dance Activity Funds. We also noted a deposit in the amount of \$25,864.10, dated 5/6/13, with receipts of \$120.00 for Sigma Sigma Gamma Greek Week fees, dated 5/2/13. The Redbook requires receipts over \$100.00 to be deposited daily.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

PURCHASE ORDERS

We noted check #34322, in the amount of \$185.00, dated 8/24/12, written to Lagrange Rotary Club for the principal's 7/12/012 - 9/30/12 Rotary Dues with a F-SA-07, Purchase Order dated 8/23/12 and an invoice dated 7/18/12. We noted check #35590, in the amount of \$50.00, dated 2/21/13, written to Okolona Pest Control, for monthly pest control service with a F-SA-7, Purchase Order, dated 2/20/13 and an invoice dated 2/13/13. The Redbook requires a F-SA-7, Purchase Order, to be completed to initiate a purchase.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

INVENTORY CONTROL

We noted a F-SA-5, Inventory Control Worksheet, was not prepared for the school's vending machines. The Redbook requires profits on vending machines be verified using an F-SA -5.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

CURRENT YEAR COMMENTS

CAMDEN STATION ELEMENTARY SCHOOL

SEGREGATION OF DUTIES

We noted the school's bookkeeper enters invoices into the accounting system and matches invoices to checks as well as prints checks and mails checks. The Redbook requires these duties to be segregated.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

CREDIT CARD

We noted a F-SA-13, Credit Card Sign In/Out Form, was not completed for the Costco credit card. Costco. The Redbook requires credit cards to be checked out using a F-SA-13.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

CENTERFIELD ELEMENTARY SCHOOL

PURCHASE ORDER

We noted check #14388, in the amount of \$396.41, dated 8/24/12, written to Gopher Chase from the Volleyball Fund, for the purchase of Physical Education items with a F-SA-7, Purchase Order, without the signature of the school's principal. The Redbook requires an F-SA-7, Purchase Order, to be completed to initiate a purchase.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

CRESTWOOD ELEMENTARY SCHOOL

CREDIT CARD SIGN IN/OUT

We noted a F-SA-13, Credit Card Sign In/Out Form, was not completed for the following credit cards: Wal-Mart, Office Depot, PNC Bank, Costco and Barnes & Noble. The Redbook requires credit cards to be checked out using an F-SA-13.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

EAST OLDHAM MIDDLE SCHOOL

CREDIT CARDS

We noted the following F-SA-13, Credit Card Sign In/Out Forms, without the credit card number documented on the form: Costco, Kroger, Wal-Mart and Sam's Club.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

MULTIPLE RECEIPT FORMS

We noted a deposit in the amount of \$3,365.00, dated 10/15/12 with \$2,965.00 in cash collected from a dance held for the Water Project, without an F-SA-6, Multiple Receipt Form, or an F-SA-1, Ticket Sales & Requisition Report.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UTIMELY DEPOSIT

We noted a deposit in the amount of \$2,928.00, dated 4/22/13 with \$144.00 in fees from the Rockets fund, dated 4/18/13 that was not deposited in a timely manner. The Redbook requires receipts over \$100.00 to be deposited daily.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

GOSHEN ELEMENTARY SCHOOL

SEGREGATION OF DUTIES

We noted the school's bookkeeper enters invoices into the accounting system and mails checks as well as prints checks and matches invoices to checks and for both the school's general bank account and daycare bank account. The Redbook requires these duties to be segregated.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNTIMELY DEPOSIT

We noted a deposit in the amount of \$1,005.20, dated 8/29/12 with the following receipts not deposited in a timely manner: receipt of \$27.00 for Time for Kids, dated 8/22/12 and a receipt of \$460.00 for the 4th Grade Account fees, dated 8/26/12. The Redbook requires receipts over \$100.00 to be deposited daily.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

HARMONY ELEMENTARY SCHOOL

SEGREGATION OF DUTIES

We noted the school's bookkeeper enters invoices into the accounting system and matches invoices to checks as well as prints checks and mails checks. The Rebook requires these duties to be segregated.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

INVENTORY CONTROL

We noted the F-SA-5, Inventory Control Worksheet, was incorrectly completed for the bookstore. The details for the count and sales price of the beginning and ending inventory for the bookstore were left blank but on the total value of beginning inventory and total value of ending inventory were listed.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

PURCHASE ORDERS

We noted the following checks had F-SA-7, Purchase Orders, without the signature of the sponsor: check #2693 in the amount of \$49.76, dated 7/10/12, written to Wal-Mart, for supplies, from the Husky Hideout fund, check #3872 in the amount of \$1,340.75, dated 8/20/12, written to Phoenix Business Systems, for tie-dye t-shirts, out of the Bookstore fund, and check #4155 in the amount of \$2,338.52, dated 5/6/13, written to Kenway for janitorial supplies out of the Husky Hideout fund. The Redbook requires a F-SA-7, Purchase Order, to be completed to initiate a purchase.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

KENWOOD STATION ELEMENTARY SCHOOL

CREDIT CARDS

We noted the F-SA-13, Credit Card Sign In/Out Sheet for the Wal-Mart Credit Card without the account number for the credit card documented on the form.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

INVENTORY CONTROL

We noted a F-SA-5, Inventory Control Worksheet, was not completed for the school's vending machine but had a listing of sales by sales price and deliveries at cost without beginning inventory or ending inventory.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

LAGRANGE ELEMENTARY SCHOOL

SEGREGATION OF DUTIES

We noted the school's bookkeeper enters invoices into the accounting system and matches invoices to checks as well as prints checks and mails checks for both the school and daycare funds. The Redbook requires these duties to be segregated.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

CREDIT CARDS

We noted there was not a F-SA-13, Credit Card Sign In/Out Sheet for either the Kroger or Costco credit cards. The Redbook requires credit cards to be checked out to employees using a F-SA-13.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

LIBERTY ELEMENTARY SCHOOL

INDIVIDUAL ACTIVITY FUND BUDGETS

We noted F-SA-4A, Individual Activity Budgets, were not prepared for the following activity funds on file: Bookstore, Technology Fees, Student Fees, Kindergarten, General, Intramurals, Library, School Pictures, Recycling, Community Project, Vending and Field Trips.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

LOCUST GROVE ELEMENTARY SCHOOL

ANNUAL FINANCIAL REPORT

We noted the F-SA-14, Annual Financial Report for both the school's funds and daycare funds were dated 8/7/13. The Redbook requires the F-SA-14 to be prepared by July 25th.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNALLOWABLE PURCHASE

We noted check #3143, in the amount of \$78.50, dated 5/23/13, written to Minnish and Potts for Flowers for a 5th grade teacher and an aide out of the General Fund. The Redbook requires staff purchases to be made from faculty funds.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

LOCUST GROVE ELEMENTARY SCHOOL – CONTINUED

INVENTORY CONTROL

We noted the F-SA-5, Inventory Control Worksheets, were not correctly completed for the basketball or volleyball as only beginning inventory and delivery amounts were listed.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNTIMELY DEPOSIT

We noted a deposit in the amount of \$4,795.00, dated 9/6/12 with a F-SA-6, Multiple Receipt Form of \$995.00 for Lion's Pride dated 9/4/12 that was not deposited in a timely manner. The Redbook requires receipts over \$100.00 to be deposited daily.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

MULTIPLE RECEIPT FORM

We noted a deposit in the amount of \$2,632.01, dated 1/11/13 with a F-SA-6, Multiple Receipt Form, for \$90.00 of yearbook sales receipts that was not signed or dated by the librarian collecting these funds.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

NORTH OLDHAM MIDDLE SCHOOL

SEGREGATION OF DUTIES

We noted the school's bookkeeper enters invoices into the accounting system and matches invoices to checks as well prints checks and mails checks. The Redbook requires each of these duties to be segregated.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

PURCHASE ORDER

We noted check #11355, in the amount of \$14,272.00, dated 9/20/12, written to Jostens for yearbooks with a F-SA-7, Purchase Order, dated 9/17/12 and an invoice dated 9/4/12. The Redbook requires an F-SA-7, Purchase Order, to be completed to initiate a purchase.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

NORTH OLDHAM HIGH SCHOOL

FUNDRAISERS

We noted the Speech Team fundraiser (poinsettia sales) and Cheerleading (Qdoba cards sales) without a F-SA-2B, Fundraiser Worksheets, on file. The Redbook requires fundraising activities be monitored using an F-SA-2B.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

INVENTORY CONTROL

We noted the Baseball and Softball activity funds concessions with F-SA-5, Inventory Control Worksheets, incorrectly completed. The forms did not list beginning inventory but listed how many of each item was sold and an ending inventory amount.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

INDIVIDUAL ACTIVITY FUND BUDGETS

We noted the following Individual Activity Fund Budgets were not on file: Academic Team, Foreign Language, KYA/Kuna, Science-Marine Biology, Speech and Class of 2014.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

MULTIPLE RECEIPT FORMS

We noted a deposit in the amount of \$13,220.00, dated 10/29/12 with the following F-SA-6, Multiple Receipt Forms, without student signatures, but were completed by the person collecting the funds: receipt of \$730.00 for Girls Basketball fees, receipt of \$2,700.00 for Boys Basketball fees, receipts of \$226.00, \$728.00 and \$300.00 for yearbook sales. We also noted a deposit in the amount of \$5,049.50, dated 2/15/13 with F-SA-6, Multiple Receipt Forms, without student signatures, but were completed by the person collecting the funds: receipt of \$3,371.50 for Baseball mulch sales, receipt of \$516.00 for Softball spirit wear sales. We also noted a deposit in the amount of \$4,326.21, dated 4/29/13, with F-SA-6, Multiple Receipt Forms, without student signatures, but were completed by the person collecting the fund: receipt of \$200.00 for the Class of 13 Senior Prom fees, receipt of \$69.46 for collections into the Relay For Life donations. We also noted a deposit in the amount of \$8,687.52, dated 6/19/13 with the following F-SA-6, Multiple Receipt Forms, without student signatures, but were completed by the person collecting the funds: receipt of \$240.00 for the collection of Volleyball camp fees, a receipt of \$260.00 for the Cheer fundraiser (Qdoba card sales), receipt of \$5,572.00 for cheer clothing orders.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNTIMELY DEPOSITS

We noted deposit dated 10/29/12 in the amount of \$13,220.00 with the following F-SA-6, Multiple Receipt Forms, that were not deposited in a timely manner: receipt of \$730.00, dated 10/24/12, for Girls Basketball fees, receipt of \$2,700.00, dated 10/24/12, for Boys Basketball fees, receipts of \$226.00, \$728.00 and \$300.00, all dated 10/18/12 for yearbook sales.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

NORTH OLDHAM HIGH SCHOOL – CONTINUED

UNDATED RECEIPTS

We noted the following deposits with F-SA-6, Multiple Receipt Forms, that were not dated: deposit in the amount of \$13,220.00 dated 10/29/12 with receipts of \$6,500.00 from the Band Boosters and a deposit dated 4/29/13 for \$4,326.21 with F-SA-6, Multiple Receipt Form, for Cheerleading Varsity Spirit of \$3,335.00.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

PURCHASE ORDERS

We noted check #16423, in the amount of \$697.25, dated 1/29/13, written to Graphic Edge from the Wrestling fund for the purchase of t-shirts with an F-SA-7, Purchase Order, dated 1/17/13 and an invoice dated 1/15/13. We also noted check #17098, in the amount of \$636.42, dated 5/30/13 written to Tom Clemons from the Athletics fund for a cell phone stipend and mileage reimbursement with an F-SA-7 dated 5/30/13 and a receipt from McDonald's dated 5/17/13. The Redbook requires an F-SA-7, Purchase Order, to be completed to initiate a purchase.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY HIGH SCHOOL

CHARITABLE GAMING

We noted the school's charitable gaming does not have a separate checking account. The Redbook requires a separate charitable gaming bank account.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

CASH ADVANCE

We noted check #35680, in the amount of \$3,225.00, dated 3/12/13, written for a cash advance of a Marine Biology Camp held on 3/29/13 of which \$1,901.52 in unused cash was not returned until 4/15/13. The Redbook requires unused cash to be returned by the close of the next business day after the trip.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

MISSING INVOICE

We noted check #35680, in the amount of \$3,225.00, dated 3/12/13, written for a cash advance of a Marine Biology Camp held on 3/29/13 without a F-SA-8, Standard Invoice, for the \$100.00 tip given to the bus driver. The Redbook requires a vendor invoice or an F-SA-8 signed by the payee.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

OLDHAM COUNTY HIGH SCHOOL – CONTINUED

FUNDRAISERS

We noted an F-SA-2B, Fundraiser Worksheet, was not completed for any school fundraisers. The Redbook requires fundraising activities be monitored using a F-SA-2B.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNALLOWABLE PURCHASE

We noted check #34322, in the amount of \$185.00, dated 8/24/12, written to Lagrange Rotary Club for the principal's 7/12/012 - 9/30/12 Rotary Dues. The Redbook requires staff purchases to be made from faculty funds.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY MIDDLE SCHOOL

FUNDRAISERS

We noted that the Dance Team Fundraiser (car wash) without an F-SA-2A, Fundraiser Approval Form.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

TICKET SALES

We noted the following F-SA-1, Requisition and Report of Ticket Sales, without separate signatures for a ticket taker and a ticket seller: a football game held on 9/18/12 and boys basketball game held on 1/9/13. The Redbook requires a separate ticket taker and ticket seller.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNTIMELY DEPOSITS

We noted deposit dated 10/9/12 in the amount of \$9,214.00 with two F-SA-6, Multiple Receipt Forms, for Kentucky Down Under field trip fees, dated 10/4/12 and 10/5/12. We also noted a deposit dated 5/7/13 in the amount of \$836.25 with two F-SA-6, Multiple Receipt Forms, one for \$85.00, dated 5/1/13 and another for \$50.00 that was not signed or dated.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

PURCHASE ORDER

We noted check # 31092 in the amount of \$748.00, dated 10/15/12, written to Red Pepper from the General Fund for refreshments of a Title 1 event with an undated F-SA-7, Purchase Order. The Redbook requires an F-SA-7, Purchase Order, to be completed to initiate a purchase.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

OLDHAM COUNTY MIDDLE SCHOOL – CONTINUED

UNALLOWABLE PURCHASE

We noted check #30962 in the amount of \$128.92, dated 8/16/12, written from the General Fund as a reimbursement of supplies for a teacher meeting. The Redbook requires items purchase for staff to be made from faculty funds.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

SOUTH OLDHAM HIGH SCHOOL

ANNUAL FINANCIAL REPORT

We noted the F-SA-15A, Annual Financial Report, was dated 8/7/13. The Redbook requires the school treasurer prepare the F-SA-15A, by July 25th.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

SOUTH OLDHAM MIDDLE SCHOOL

INVENTORY CONTROL

We noted an F-SA-5, Inventory Control Worksheet, was not completed for the following resale activities: vending machines pencil sales, and agenda book sales. The Redbook requires profits from vending machines and any other stocked items her for resale to be verified using an F-SA-5.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

PURCHASE ORDER

We noted check #9882, in the amount of \$1,563.68, dated 8/23/12, written to Barnes & Noble for books out of the Bookstore, Gifted & Talented and the Library Funds with the following F-SA-7, Purchase Orders, dated after the invoice: purchase orders of \$289.76 and \$34.32 both dated 8/21/12, with an invoice dated 4/5/12. We also noted the purchase orders did not have the approving signatures of either the Gifted and Talented or Library Sponsors. We also noted check #10030, in the amount of \$75.84, dated 10/30/12, written for the reimbursement of Tennis Fund purchases, without a completed F-SA-7. We also noted check #10150, in the amount of \$113.00, dated 1/8/13 written for the reimbursement of Cheer and Dance Christmas Funds' parties without a completed F-SA-7. We also noted check #10078, in the amount of \$334.49, dated 11/19/12, written to Wal-Mart, out of the General Fund with a \$41.87 purchase of coffee supplies without a completed F-SA-7. The Redbook requires an F-SA-7, Purchase Order, to be completed to initiate a purchase.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

SOUTH OLDHAM MIDDLE SCHOOL – CONTINUED

TICKET SALES

We noted an F-SA-1, Requisition and Report of Ticket Sales, for a Football fundraiser (dance) held on 9/21/12 was incorrectly completed as the ticket sales form was not signed by either the ticket taker or school treasurer. We also noted a F-SA-1, Requisition and Report of Ticket Sales, for the Cheerleader fundraiser (Dance) held on 10/12/12 was not filled out correctly as the ticket sales price or the proceeds collected were listed, and the form was not signed by person in charge of sales, the ticket taker or the school treasurer. We also a F-SA-1, Requisition and Report of Ticket Sales, for a football game held on 10/2/12 with the same signature for the ticket seller and the ticket taker. The Redbook requires a separate ticket seller and ticket taker.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

SEGREGATION OF DUTIES

We noted the school's bookkeeper enters invoices into the accounting system and matches invoices to checks as well as prints checks, and mails checks. The Redbook requires that these duties be segregated.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

CREDIT CARDS

We noted there was not an F-SA-13, Credit Card Sign In/Out Form, for the school's Office Depot and Barnes & Noble credit cards. The Redbook requires credit cards to be checked out to employees using an F-SA-13.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNALLOWABLE PURCHASE

We noted check #10078 in the amount of \$334.49, dated 11/19/12, written to Wal-Mart for a credit card purchases with a vendor invoice for \$41.87, dated 10/1/12 to purchase staff coffee out of the General Fund. The Redbook requires items purchased for staff to be made from faculty funds.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

OLDHAM COUNTY SCHOOL DISTRICT

COMMENTS – CONTINUED

June 30, 2013

SOUTH OLDHAM MIDDLE SCHOOL – CONTINUED

MULTIPLE RECEIPT FORMS

We noted a deposit in the amount of \$7,008.50, dated 10/15/12, with the following F-SA-6, Multiple Receipt Forms, without student signatures or initials, but were filled out by the sponsor or the bookkeeper: receipt of \$54.00 for Band t-shirt sales, receipt of \$12.00 for Choir cookie cough sales, receipt of \$9.00 for Choir recorders sales, receipt of \$30.00 for Volleyball sweatshirt sales and a receipt of \$850.00 for Y-Club fees. We also noted a deposit of \$11,402.89, dated 5/1/13, with the following F-SA-6, Multiple Receipt Forms, without student signatures but were filled out by the person collecting the funds: several F-SA-6 totaling \$1,725.00 for Frazier field trip fees, a receipt of \$150.00 for the Choir King's Island field trip fees. We also noted a deposit in the amount of \$13,921.06, dated 2/21/13, with the following F-SA-6, Multiple Receipt Forms without student signatures but were filled out by the person collecting the funds: receipt of \$50.00 for the General Fund BGC, receipt of \$9.50 for Chess Club fees, receipt of \$150.00 for Band shirts/donation, receipt of \$68.00 for Field Trip/Knights fees, receipt of \$25.00 for 7th Grade field trip fees, and a receipt of \$200.00 for Boys Soccer ticket presale.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.

UNTIMELY DEPOSITS

We noted a deposit in the amount of \$11,402.89, dated 5/1/13, with the following receipts that were not deposited in a timely manner: receipt of \$120.00 for a field trip , dated 4/26/13, receipt of \$150.00 from the Choir sponsor dated 4/26/13, receipt of \$90.00 for the Frazier and King's Island field trip fees dated 4/24/13, receipt of \$420.00 for Frazier field trip fees dated 4/25/13. We also noted a deposit in the amount of \$13,921.06, dated 2/21/13 with the following receipts that were not deposited in a timely manner: receipts of \$126.30 for Media Center Fines, Chess Club Fees and Knights field trip fees, dated 2/13/13, receipt of \$25.00 for 7th Grade field trip fees dated 2/14/13, and receipts of \$7,395.00 for Y-Club Kuna Conference fees, dated 2/15/13 and receipt of \$86.46 for Media Center fines and Choir donations, dated 2/19/13. The Redbook requires daily receipts over \$100 to be deposited daily.

MANAGEMENT RESPONSE

Management will meet with school personnel and implement corrective action by October 31, 2013.