

BULLITT COUNTY SCHOOL DISTRICT
BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND INDEPENDENT AUDITOR'S REPORTS

Year Ended June 30, 2014

BULLITT COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2014

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Position – Proprietary Funds	16
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Statement of Fiduciary Net Position – Fiduciary Funds	19
Notes to the Basic Financial Statements	20-37
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund	38
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund	39

BULLITT COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS - CONTINUED

YEAR ENDED JUNE 30, 2014

Supplementary Information:

Combining Statements – Nonmajor Funds:

Combining Balance Sheet – Nonmajor Governmental Funds40

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Nonmajor Governmental Funds41

Combining Statement of Fiduciary Net Position – Fiduciary Funds42

Schools:

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – All Schools43

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – Bullitt County
High School 44-45

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – Bullitt East
High School 46-47

Schedule of Assets, Cash Receipts and Disbursements and Liabilities – North Bullitt
High School 48-49

Schedule of Expenditures of Federal Awards 50-51

Notes to the Schedule of Expenditures of Federal Awards 52

Schedule of Findings and Questioned Costs 53-55

Schedule of Prior Year Audit Findings 56

**Independent Auditor’s Report on Internal Control Over Financial
Reporting On Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards 57-58**

**Independent Auditor’s Report on Compliance with Requirements That
Could Have A Direct And Material Effect on Each Major Program
and Internal Control over Compliance in
Accordance with OMB Circular A-133 59-60**

Management Letter and Comments 61-72

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
Bullitt County School District
Shepherdsville, 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 Bullitt County School District as of and for the year ended June 30, 2014, 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*. 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, 2014, 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.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the District adopted GASB Statement 65, *Items Previously Reported as Assets and Liabilities* and GASB Statement 66, *Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62* 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 9 and 38 through 39 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.

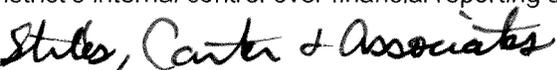
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bullitt 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 20, 2014, on our consideration of Bullitt 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 Bullitt County School District's internal control over financial reporting and compliance.


Certified Public Accountants
Elizabethtown, Kentucky
October 20, 2014

REQUIRED SUPPLEMENTARY INFORMATION

**BULLITT COUNTY SCHOOL DISTRICT – SHEPHERDSVILLE, KY
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

The discussion and analysis of Bullitt County School District’s financial performance provides an overall review of the School District’s financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to review the School District’s financial performance as a whole; readers should also review the financial statements and notes to the financial statements to enhance their understanding of the School District’s financial performance.

FINANCIAL HIGHLIGHTS

- The ending cash balance for the District was \$36.4 million. The most significant cash balances were for the General Fund \$13.8 million and the Construction Fund \$17.9 million. The General Fund had \$13.8 million in cash at June 30, 2013...
- The General Fund had \$92.4 million in revenue, which primarily consisted of the state program (SEEK), state on-behalf payments, property, utilities, and motor vehicle taxes. Excluding inter-fund transfers, there were \$91.3 million in General Fund expenditures.
- Bonds are issued as the District renovates facilities consistent with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations. The District issued the 2013 bond issue. The District’s total bond debt decreased by \$4.5 million.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Capital assets and related debt are also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 10 - 11 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 and fiduciary. The only fiduciary funds are agency funds for student education. The only proprietary fund is our food service fund. All other activities of the District are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 12 - 19 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 20 - 37 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$81 million at June 30, 2014.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, equipment and construction in progress), less any related debt used to acquire those assets that is outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position for the periods ending June 30, 2014 and 2013
(Table 1)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 36,917,542	\$ 23,202,268	\$ 1,714,062	\$ 1,578,415	\$ 38,631,604	\$ 24,780,683
Capital Assets	<u>207,828,699</u>	<u>195,057,798</u>	<u>1,651,680</u>	<u>1,932,130</u>	<u>209,480,379</u>	<u>196,989,928</u>
Total Assets	<u>244,746,241</u>	<u>218,260,066</u>	<u>3,365,742</u>	<u>3,510,545</u>	<u>248,111,983</u>	<u>221,770,611</u>
Deferred Outflows	<u>3,752,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,752,939</u>	<u>-</u>
Long-term Debt	155,637,690	133,548,955	-	-	155,637,690	133,548,955
Other Liabilities	<u>15,196,366</u>	<u>9,819,390</u>	<u>5,822</u>	<u>862</u>	<u>15,202,188</u>	<u>9,820,252</u>
Total Liabilities	<u>170,834,056</u>	<u>143,368,345</u>	<u>5,822</u>	<u>862</u>	<u>170,839,878</u>	<u>143,369,207</u>
Net Position						
Net investment in capital assets	46,780,254	58,730,595	1,651,680	1,932,130	48,431,934	60,662,725
Restricted	16,694,727	8,673,994	-	-	16,694,727	8,673,994
Unrestricted	<u>14,190,143</u>	<u>7,487,132</u>	<u>1,708,240</u>	<u>1,577,553</u>	<u>15,898,383</u>	<u>9,064,685</u>
Total Net Position	<u>\$ 77,665,124</u>	<u>\$ 74,891,721</u>	<u>\$ 3,359,920</u>	<u>\$ 3,509,683</u>	<u>\$ 81,025,044</u>	<u>\$ 78,401,404</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position.

The District put into service \$19.9 million in capital assets. The District issued the 2013 bonds and paid off \$6.5 million in revenue bonds.

Comments on Budget Comparisons

- The District's total governmental revenues for the fiscal year ended June 30, 2014, net of interfund transfers were \$116.8 million.
- General fund budget compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$19.5 million more than budget or approximately 27%. The variance is primarily explained by unbudgeted on-behalf payments made by the State of Kentucky in the amount of \$16.8 million and additional tax revenue.
- The total cost of all governmental programs and services was \$120.3 million including debt service.
- General fund budget expenditures to actual varied significantly in Instruction and Other expenses. This resulted from the District not budgeting on-behalf payments made by the State of Kentucky and not having to spend budgeted contingency funds.

The following Table 2 presents a summary of changes in net position for the fiscal years ended June 30, 2014 and 2013

(Table 2)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
REVENUES:						
Program revenues:						
Charges for services	\$ 179,442	\$ 312,945	\$ 2,043,674	\$ 2,128,652	\$ 2,223,116	\$ 2,441,597
Operating grants and contributions	27,293,772	25,484,258	4,307,523	4,046,566	31,601,295	29,530,824
Capital grants	5,055,878	4,885,361	-	-	5,055,878	4,885,361
General revenues:						
Property taxes	31,171,134	30,132,833	-	-	31,171,134	30,132,833
Motor vehicle taxes	2,401,413	2,287,902	-	-	2,401,413	2,287,902
Utility taxes	4,616,627	4,475,331	-	-	4,616,627	4,475,331
Distilled spirits tax	1,469,888	1,432,186	-	-	1,469,888	1,432,186
Unmined minerals tax	4,578	4,572	-	-	4,578	4,572
Investment earnings	195,262	424,879	1,945	20,411	197,207	445,290
State and formula grants	43,895,036	42,498,834	-	-	43,895,036	42,498,834
Miscellaneous	516,688	560,538	-	-	516,688	560,538
Total revenues	116,799,718	112,499,639	6,353,142	6,195,629	123,152,860	118,695,268
EXPENSES						
Program Activities						
Instruction	67,047,128	63,725,066	-	-	67,047,128	63,725,066
Student support	3,581,174	3,338,019	-	-	3,581,174	3,338,019
Instructional staff support	6,046,073	7,058,704	-	-	6,046,073	7,058,704
District administrative support	1,642,249	2,738,048	-	-	1,642,249	2,738,048
School administrative support	7,444,159	6,752,492	-	-	7,444,159	6,752,492
Business support	1,399,347	1,193,402	-	-	1,399,347	1,193,402
Plant operation and maintenance	12,311,400	11,915,703	-	-	12,311,400	11,915,703
Student transportation	6,530,069	7,184,730	-	-	6,530,069	7,184,730
Community service activities	717,138	722,765	-	-	717,138	722,765
Other	7,382	43,220	-	-	7,382	43,220
Interest costs	7,122,656	6,376,210	-	-	7,122,656	6,376,210
Business-type Activities:						
Food service	-	-	6,241,285	6,093,086	6,241,285	6,093,086
Total expenses	113,848,775	111,048,359	6,241,285	6,093,086	120,090,060	117,141,445
Change in net position before transfers and extraordinary item	2,950,943	1,451,280	111,857	102,543	3,062,800	1,553,823
Transfers	261,620	268,927	(261,620)	(268,927)	-	-
Extraordinary item	299,653	(1,300,444)	-	-	299,653	(1,300,444)
Change in net position	\$ 3,512,216	\$ 419,763	\$ (149,763)	\$ (166,384)	\$ 3,362,453	\$ 253,379

Governmental Activities

Instruction comprises 59% of governmental program expenses. Support services expenses make up 35% of government expenses. The remaining expense for community services, interest and other items accounts for the remaining 6% of total government expense.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

(Table 3)

	Total Cost of Services		Net Cost of Services	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Instruction	\$ 67,047,128	\$ 64,733,281	\$ 46,108,936	\$ 39,401,428
Support Services	38,954,471	37,991,078	33,136,587	38,879,754
Community services	717,138	704,199	-	130
Other	7,382	57,681	7,382	57,638
Facilities acquisition and construction	-		(3,943,556)	(3,759,908)
Interest costs	7,122,656	7,241,503	6,010,334	5,786,753
Total Expenses	<u><u>\$ 113,848,775</u></u>	<u><u>\$ 110,727,742</u></u>	<u><u>\$ 81,319,683</u></u>	<u><u>\$ 80,365,795</u></u>

Business-Type Activities

The business-type activities include the food service operation. This program had total revenues of \$6.4 million and expenses of \$6.2 million for fiscal year 2014. Of the revenues, \$2 million was charges for services, \$4.3 million was from State and Federal grants and \$1,945 was from investment earnings. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity. If it becomes necessary, the School District will increase the charges for this activity.

The School District's Funds

Information about the School District's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$156.1 million and expenditures and other financing uses of \$145.5 million. Net changes in fund balances for the year were most significant in the General Fund and Construction Fund.

General Fund-Budget Highlights

The School District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. The State Department of Education requires a zero-based budget with any budgeted remaining fund balance shown as a contingency expense in the budget process.

For the General Fund, revenues were budgeted at \$72.9 million with actual amounts of \$92.4 million. Budgeted expenditures of \$82.8 million compare with actual expenditures of \$91.2 million. The most significant fluctuation is for on-behalf payments of \$16.8 million

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014 the School District had \$209.5 million invested in land, buildings and equipment, and \$207.8 million in governmental activities. Table 4 shows fiscal year 2014 and 2013 balances.

(Table 4)
Capital Assets at June 30, 2014 and 2013
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,582,032	\$ 6,582,032	\$ -	\$ -	\$ 6,582,032	\$ 6,582,032
Buildings and improvements	174,473,487	179,229,009	-	-	174,473,487	179,229,009
Technology	2,543,756	3,217,853	11,078	26,819	2,554,834	3,244,672
Vehicles	3,100,540	3,036,843	-	-	3,100,540	3,036,843
General equipment	1,035,468	1,068,090	1,640,602	2,048,558	2,676,070	3,116,648
Total	187,735,283	193,133,827	1,651,680	2,075,377	189,386,963	195,209,204
Construction in progress	20,093,416	1,923,971	-	-	20,093,416	1,923,971
Total	\$ 207,828,699	\$ 195,057,798	\$ 1,651,680	\$ 2,075,377	\$ 209,480,379	\$ 197,133,175

Table 5 shows changes in capital assets for the years ended June 30, 2014 and 2013.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Beginning balance	\$ 195,057,798	\$ 197,997,199	\$ 1,932,130	\$ 2,075,377	\$ 196,989,928	\$ 200,072,576
Additions	19,984,568	12,416,456	2,176	147,797	19,986,744	12,564,253
Retirements	(270,220)	(8,245,216)	(10,935)	(14,318)	(281,155)	(8,259,534)
Depreciation	(6,943,447)	(7,110,641)	(271,691)	(276,726)	(7,215,138)	(7,387,367)
Ending balance	\$ 207,828,699	\$ 195,057,798	\$ 1,651,680	\$ 1,932,130	\$ 209,480,379	\$ 196,989,928

Debt

At June 30, 2014, the School District had \$162.4 million in bonds outstanding, of this amount \$6.7 million is to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$7.1 million is due within one year. The District issued the 2013 series bonds.

District Challenges for the Future

The national and state economy is likely to be the most serious challenge facing this school district over the coming years. Great strides have been made in the instructional program, mostly through reallocation of existing resources. The expansion of the instructional coaching positions has been extremely beneficial to improving instructional performance and student learning. The MAPS testing system continues to provide an instructional intervention program to make academic gains. The expansion of our technological infrastructure using our very robust fiber-optic network is paying great dividends for our instructional program, but requires funds to operate and refine. Bullitt County Public Schools is plagued with comparatively low revenue per student (169th of 174 as of FY 13). This lack of resource makes instructional improvement very difficult in light of certain fixed costs (utilities, fuel, maintenance), especially given the fact that the teacher salary schedule ranks very high in compensation as compared to other school districts in Kentucky.

The current state budget did not alleviate our struggles entirely. While funding has increased over the prior year in flexible focus funds (Extended School Services, Professional Development, Pre-School, Safe Schools, and Textbooks) the programs continue to be underfunded when compared to the 2008 levels. The district is underfunded \$481,108.12 compared to the 2008 level. The district was also underfunded over \$2.7 million by the SEEK formula through a proration of the transportation allotment. The costs did not go down – just the opposite – but the state support did decline significantly. With the continuation of unfunded mandates being passed to school districts from the state, including Kentucky Teachers' Retirement System and County Employee Retirement System, employer contribution requirements increase and reduced Flex Focus funds, very painful choices at the very time that our efforts to increase student achievement are beginning to come to fruition.

We are concluding a great number of construction projects. These projects are important to improving the learning environment for our students, and will also have the effect of saving a significant amount of resources through energy conservation efforts. We are in the approval process to renovate two elementary schools. This will deplete our bonding capacity.

Bullitt County Schools' vision is to become the leader in educational excellence in the state. This vision remains, though there are many financial barriers to overcome in order to make that vision a reality.

Future Budgetary Implications

In Kentucky, the public schools fiscal year is July 1 - June 30; other programs, i.e. some federal programs operate on a different fiscal calendar, but are reflected in the District overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a budget for 2014 - 2015 with a 2.2% contingency. Significant Board action that impacts the finances includes pay increases for all employees, additional spending for facility repairs outside of bonded building and renovation projects, and continued funding of Board initiatives.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any question about this report or need additional information contact Denise Smith, Finance Director, 1040 Highway 44 East, Shepherdsville, Kentucky 40165, (502) 869-8000.

BASIC FINANCIAL STATEMENTS

BULLITT COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2014

Assets	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>Current Assets</u>			
Cash and cash equivalents	\$ 34,814,010	\$ 1,596,203	\$ 36,410,213
Inventory		87,308	87,308
Receivables:			
Taxes-current	598,588		598,588
Taxes-delinquent	38,731		38,731
Other receivables	109,067		109,067
Intergovernmental-State	66,833		66,833
Intergovernmental-Indirect Federal	1,276,493	30,551	1,307,044
Intergovernmental-Direct Federal	13,820		13,820
Total Current Assets	36,917,542	1,714,062	38,631,604
<u>Noncurrent Assets</u>			
Non-depreciable capital assets	26,675,448		26,675,448
Depreciable capital assets, net of accumulated depreciation	181,153,251	1,651,680	182,804,931
Total Noncurrent Assets	207,828,699	1,651,680	209,480,379
Total Assets	244,746,241	3,365,742	248,111,983
<u>Deferred Outflows of Resources</u>			
Deferred amount on debt refundings	3,752,939		1,065,652
Total Deferred Outflows of Resources	3,752,939	-	1,065,652
Liabilities			
<u>Current Liabilities</u>			
Accounts payable	4,763,278	5,822	4,769,100
Accrued payroll and related expenses	84,381		84,381
Unearned revenue	848,304		848,304
Bond obligations	7,120,000		7,120,000
Capital lease obligations	52,816		52,816
Compensated absences	117,750		117,750
KSBIT	298,484		298,484
Interest payable	1,911,353		1,911,353
Total Current Liabilities	15,196,366	5,822	15,202,188
<u>Noncurrent Liabilities</u>			
Bond obligations	153,782,306		153,782,306
Capital lease obligations	93,323		93,323
Compensated absences	1,059,754		1,059,754
KSBIT	702,307		702,307
Total Noncurrent Liabilities	155,637,690	-	155,637,690
Total Liabilities	170,834,056	5,822	170,839,878
<u>Net Position</u>			
Net investment in capital assets	46,780,254	1,651,680	48,431,934
Restricted	16,694,727		16,694,727
Unrestricted	14,190,143	1,708,240	15,898,383
Total Net Position	\$ 77,665,124	\$ 3,359,920	\$ 81,025,044

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

BULLITT COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$ 67,047,128	\$ 96,851	\$ 20,841,341	\$ -	\$ (46,108,936)	\$ -	\$ (46,108,936)
Support services:							
Student	3,581,174		859,816		(2,721,358)		(2,721,358)
Instruction staff	6,046,073		1,717,169		(4,328,904)		(4,328,904)
District administrative	1,642,249		85,807		(1,556,442)		(1,556,442)
School administrative	7,444,159		1,706,316		(5,737,843)		(5,737,843)
Business	1,399,347		156,628		(1,242,719)		(1,242,719)
Plant operation and maintenance	12,311,400		439,807		(11,871,593)		(11,871,593)
Student transportation	6,530,069	82,591	769,750		(5,677,728)		(5,677,728)
Community service activities	717,138		717,138		-		-
Other	7,382				(7,382)		(7,382)
Facilities acquisition and construction				3,943,556	3,943,556		3,943,556
Interest on long-term debt	7,122,656			1,112,322	(6,010,334)		(6,010,334)
Total Governmental Activities	113,848,775	179,442	27,293,772	5,055,878	(81,319,683)	-	(81,319,683)
Business-Type Activities:							
Food service	6,241,285	2,043,674	4,307,523			109,912	109,912
Total Business-Type Activities	6,241,285	2,043,674	4,307,523	-	-	109,912	109,912
Total Primary Government	\$120,090,060	\$ 2,223,116	\$ 31,601,295	\$ 5,055,878	(81,319,683)	109,912	(81,209,771)
General Revenues:							
Taxes:							
					31,171,134		31,171,134
					2,401,413		2,401,413
					4,616,627		4,616,627
					1,469,888		1,469,888
					4,578		4,578
					195,262	1,945	197,207
					43,895,036		43,895,036
					516,688		516,688
					261,620	(261,620)	-
					299,653		299,653
					84,831,899	(259,675)	84,572,224
					3,512,216	(149,763)	3,362,453
					74,891,721	3,509,683	78,401,404
					(738,813)		(738,813)
					74,152,908	3,509,683	77,662,591
					\$ 77,665,124	\$ 3,359,920	\$ 81,025,044

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

FUND FINANCIAL STATEMENTS

BULLITT COUNTY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2014

	General Fund	Special Revenue Fund	Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 13,801,140	\$ -	\$ 17,889,841	\$ 3,353,845	\$ 35,044,826
Due from other funds	1,607				1,607
Receivables:					
Taxes - current	598,588				598,588
Taxes - delinquent	38,731				38,731
Other receivables	102,624	6,443			109,067
Intergovernmental - State		66,833			66,833
Intergovernmental - Indirect Federal		1,276,493			1,276,493
Intergovernmental - Direct Federal		13,820			13,820
Total Assets	<u>\$ 14,542,690</u>	<u>\$ 1,363,589</u>	<u>\$ 17,889,841</u>	<u>\$ 3,353,845</u>	<u>\$ 37,149,965</u>
Liabilities and Fund Balances:					
Liabilities					
Accounts payable	\$ 201,045	\$ 13,274	\$ 4,548,959	\$ -	\$ 4,763,278
Cash overdraft		230,816			230,816
Due to other funds		1,607			1,607
Accrued payroll and related expenses	84,381				84,381
Unearned revenue	143,062	705,242			848,304
Total Liabilities	428,488	950,939	4,548,959	-	5,928,386
Fund Balances					
Restricted		329,999	13,340,882	3,353,845	17,024,726
Committed	588,752				588,752
Assigned	3,432,240	82,651			3,514,891
Unassigned	10,093,210				10,093,210
Total Fund Balances	<u>14,114,202</u>	<u>412,650</u>	<u>13,340,882</u>	<u>3,353,845</u>	<u>31,221,579</u>
Total Liabilities and Fund Balances	<u>\$ 14,542,690</u>	<u>\$ 1,363,589</u>	<u>\$ 17,889,841</u>	<u>\$ 3,353,845</u>	<u>\$ 37,149,965</u>

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

BULLITT COUNTY SCHOOL DISTRICT

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

June 30, 2014

Total fund balance per fund financial statements	\$ 31,221,579
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.	207,828,699
Governmental funds record debt refundings as other financing uses when the issues are refunded. Unamortized losses on refundings are reported on the statement of net position as deferred outflows of resources.	3,752,939
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)	(160,902,306)
Capital lease obligations	(146,139)
Interest payable	(1,911,353)
Compensated absences	(1,177,504)
KSBIT	<u>(1,000,791)</u>
Net position for governmental activities	<u>\$ 77,665,124</u>

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

BULLITT COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Taxes:					
Property	\$ 22,490,154	\$ -	\$ -	\$ 8,680,980	\$ 31,171,134
Motor vehicle	2,401,413				2,401,413
Utilities	4,616,627				4,616,627
Distilled spirits	1,469,888				1,469,888
Unmined minerals	4,578				4,578
Earnings on investments	103,235	408	24,267	67,352	195,262
Other local revenues	601,162	526,039	15,263	79,705	1,222,169
Intergovernmental - State	60,684,666	3,451,931		4,188,366	68,324,963
Intergovernmental - Indirect Federal	79,311	5,013,925			5,093,236
Intergovernmental - Direct Federal		165,955		867,512	1,033,467
Total Revenues	92,451,034	9,158,258	39,530	13,883,915	115,532,737
Expenditures:					
Instruction	58,462,287	6,557,664		40,246	65,060,197
Support services:					
Student	3,420,793	135,208			3,556,001
Instruction staff	5,235,415	812,718			6,048,133
District administrative	2,225,575				2,225,575
School administrative	6,768,172	511,314			7,279,486
Business	1,399,056				1,399,056
Plant operation and maintenance	7,327,826	31,349			7,359,175
Student transportation	6,353,226	220,865			6,574,091
Community service activities		717,138			717,138
Other non-instruction	58,194				58,194
Facilities acquisition and construction			18,459,506		18,459,506
Bond issuance costs			140,760		140,760
Debt service:					
Principal				6,475,000	6,475,000
Interest				6,135,356	6,135,356
Total Expenditures	91,250,544	8,986,256	18,600,266	12,650,602	131,487,668
Excess (Deficit) of Revenues over Expenditures	1,200,490	172,002	(18,560,736)	1,233,313	(15,954,931)
Other Financing Sources (Uses):					
Bond proceeds from revenue bonds			26,815,000		26,815,000
Bond premium (discount)			(536,300)		(536,300)
Transfers in	1,809,804	229,126	288,897	11,433,371	13,761,198
Transfers out	(846,767)		(368,684)	(12,284,128)	(13,499,579)
Total Other Financing Sources (Uses)	963,037	229,126	26,198,913	(850,757)	26,540,319
Excess (Deficit) of Revenue and Other Financing Sources over Expenditures and Other Financing Uses	2,163,527	401,128	7,638,177	382,556	10,585,388
Fund Balance, July 1, 2013	11,950,675	11,522	5,702,705	2,971,289	20,636,191
Fund Balance, June 30, 2014	\$ 14,114,202	\$ 412,650	\$13,340,882	\$ 3,353,845	\$ 31,221,579

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

BULLITT 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, 2014

Net change in total fund balances per fund financial statements	\$ 10,585,388
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.	12,781,060
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.	(26,278,700)
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.	6,525,812
In the statement of activities, only the gain (loss) on sale of capital assets is reported, whereas in the governmental funds, the proceeds for the sale increased financial resources.	(159)
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.	299,653
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>(400,838)</u>
Change in net position of governmental activities	<u>\$ 3,512,216</u>

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

BULLITT COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2014

	<u>Food Service Fund</u>
Assets	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 1,596,203
Intergovernmental - Indirect Federal	30,551
Inventory	<u>87,308</u>
Total Current Assets	1,714,062
<u>Noncurrent Assets</u>	
Depreciable capital assets, net of accumulated depreciation	<u>1,651,680</u>
Total Noncurrent Assets	<u>1,651,680</u>
Total Assets	<u>3,365,742</u>
Liabilities	
<u>Current Liabilities</u>	
Accounts payable	<u>5,822</u>
Total Current Liabilities	<u>5,822</u>
<u>Net Position</u>	
Net investment in capital assets	1,651,680
Unrestricted	<u>1,708,240</u>
Total Net Position	<u><u>\$ 3,359,920</u></u>

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

BULLITT COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

Year Ended June 30, 2014

	Food Service Fund
Operating Revenues:	
Lunchroom sales	\$ 2,011,441
Other operating revenues	32,233
Total Operating Revenues	<u>2,043,674</u>
Operating Expenses:	
Salaries and wages	3,204,210
Materials and supplies	2,621,251
Depreciation	271,691
Other operating expenses	133,198
Total Operating Expenses	<u>6,230,350</u>
Operating loss	(4,186,676)
Non-Operating Revenues (Expenses):	
Federal grants	3,519,577
Donated commodities	350,607
State on-behalf payments	382,251
State grants	55,088
Loss on disposal of capital assets	(10,935)
Interest income	1,945
Total Non-Operating Revenues (Expenses) before Transfers	<u>4,298,533</u>
Transfers out	(261,620)
Changes in net position	(149,763)
Net Position, July 1, 2013	<u>3,509,683</u>
Net Position June 30, 2014	<u>\$ 3,359,920</u>

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

BULLITT COUNTY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2014

	Food Service Fund
Cash Flows from Operating Activities	
Cash received from:	
Lunchroom sales	\$ 2,011,441
Other activities	32,233
Cash paid to/for:	
Employees	2,821,959
Supplies	2,282,926
Other activities	133,198
	<hr/>
Net Cash Used by Operating Activities	(3,194,409)
Cash flows from Non-Capital Financing Activities	
Federal grants	3,786,756
State grants	55,088
Transfers out	(261,620)
	<hr/>
Net Cash Provided by Non-Capital Financing Activities	3,580,224
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(2,176)
	<hr/>
Net Cash Used by Capital and Related Financing Activities	(2,176)
Cash Flows from Investing Activities	
Receipt of interest income	1,945
	<hr/>
Net Cash Provided by Investing Activities	1,945
Net decrease in cash and cash equivalents	385,584
Balances, beginning of year	<hr/> 1,210,619
Balances, end of year	<hr/> <hr/> \$ 1,596,203
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (4,186,676)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	271,691
State on-behalf payments	382,251
Donated commodities	350,607
Change in assets and liabilities:	
Inventory	(17,243)
Accounts payable	4,961
	<hr/>
Net cash used by operating activities	<hr/> <hr/> \$ (3,194,409)
Schedule of non-cash transactions:	
Donated commodities received from federal government	<hr/> \$ 350,607
State on-behalf payments	<hr/> <hr/> \$ 382,251

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

BULLITT COUNTY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2014

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 1,173,433
Receivables	<u>10,959</u>
Total Assets	<u>1,184,392</u>
Liabilities	
Accounts payable	9,173
Due to student groups	<u>1,175,219</u>
Total Liabilities	<u>1,184,392</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

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bullitt 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 Bullitt 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 Bullitt 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 BULLITT 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 - Bullitt County School District Finance Corporation – In a prior year, the Board of Education resolved to authorize the establishment of the Bullitt 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.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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.

BULLITT 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) The District Activity Fund is a Special Revenue Fund type and is used to account for funds received at the school level.
- (D) 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.
 - 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.
- (E) 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.

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. This is a major fund.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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

Expenditures for insurance and similar services extending over more than one accounting period are allocated between or among accounting periods in the governmental funds and are instead accounted for as expenditures in the period of use.

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 \$5,000 are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital 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

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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 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.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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 and GASB 65 was adopted in fiscal year 2014 which resulted in a restatement of \$738,813 for previously amortized bond issuance costs.

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 and GASB 66 was adopted in fiscal year 2014 with no effect on the financial statements..

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*. GASB 68, as amended by GASB 61 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.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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, 2014, to finance operations were \$.618 per \$100 valuation for real property, \$.618 per \$100 valuation for business personal property and \$.477 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, 2014, \$41,272,599 of the District's bank balance of \$41,522,599 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

Interfund balances were due to the receiving fund paying for items for the payable fund. The following transfers were made during the year:

Fund Financial Statements

From Fund	To Fund	Purpose	Amount
General	Special Revenue	Technology Match	\$ 229,126
General	Construction	Construction	288,897
General	Non-major governmental	Debt Service	328,744
Non-major governmental	General	COFT	1,179,500
Non-major governmental	Non-major governmental	Debt Service	11,104,628
Construction	General	Land	368,684
Food Service	General	Indirect Costs	261,620

Government Wide Financial Statements

Food Service	General	Indirect Costs	261,620
--------------	---------	----------------	---------

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

NOTE E – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

Governmental Activities	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Non-Depreciable Assets:				
Land	\$ 6,582,032	\$ -	\$ -	\$ 6,582,032
Construction in progress	1,923,971	18,429,506	(260,061)	20,093,416
Total Capital Assets Not Being Depreciated	8,506,003	18,429,506	(260,061)	26,675,448
Capital Assets Being Depreciated:				
Buildings and improvements	239,682,546	244,798		239,927,344
Technology equipment	11,544,797	597,644	(348,808)	11,793,633
Vehicles	10,193,726	639,750	(883,229)	9,950,247
General equipment	1,643,665	72,870	(1,500)	1,715,035
Total Capital Assets Being Depreciated at historical cost	263,064,734	1,555,062	(1,233,537)	263,386,259
Accumulated depreciation:				
Buildings and improvements	60,453,537	5,000,320		65,453,857
Technology equipment	8,326,944	1,263,123	(340,190)	9,249,877
Vehicles	7,156,883	574,979	(882,155)	6,849,707
General equipment	575,575	105,025	(1,033)	679,567
Total accumulated depreciation	76,512,939	6,943,447	(1,223,378)	82,233,008
Total Other Capital Assets, net	186,551,795	(5,388,385)	(10,159)	181,153,251
Government Activities Capital Assets - Net	\$ 195,057,798	\$ 13,041,121	\$ (270,220)	\$ 207,828,699

Depreciation was charged to governmental functions as follows:

Instruction	\$ 896,229
Student support	69,893
Instructional staff	2,680
District administration	172,333
School administration	194,986
Business support	292
Plant	5,032,954
Transportation	574,080
	<u>\$ 6,943,447</u>

Business-Type Activities	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Depreciable Capital Assets:				
Technology equipment	\$ 44,846	\$ -	\$ (1,902)	\$ 42,944
General equipment	3,729,751	2,176	(116,666)	3,615,261
Totals at historical cost	3,774,597	2,176	(118,568)	3,658,205
Accumulated depreciation:				
Technology equipment	25,834	7,864	(1,832)	31,866
General equipment	1,816,633	263,827	(105,801)	1,974,659
Total accumulated depreciation	1,842,467	271,691	(107,633)	2,006,525
Business-type Activities Capital Assets - Net	\$ 1,932,130	\$ (269,515)	\$ (10,935)	\$ 1,651,680

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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, 2014, is as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due Within One Year
Governmental Activities:					
Bonds and Leases Payable:					
Revenue bonds	\$ 142,050,000	\$ 26,815,000	\$ 6,475,000	\$ 162,390,000	\$ 7,120,000
Capital leases	196,951		50,812	146,139	52,816
	142,246,951	26,815,000	6,525,812	162,536,139	7,172,816
Less Premium (Discount)	(971,971)	(536,300)	20,577	(1,487,694)	-
Total Bonds and Leases Payable	141,274,980	26,278,700	6,546,389	161,048,445	7,172,816
Other Liabilities:					
Compensated absences	1,773,967		596,463	1,177,504	117,750
Claims	1,300,444		299,653	1,000,791	298,484
Total Other Liabilities	3,074,411	-	896,116	2,178,295	416,234
Total Governmental Activities Long-Term Liabilities	<u>\$ 144,349,391</u>	<u>\$ 26,278,700</u>	<u>\$ 7,442,505</u>	<u>\$ 163,226,740</u>	<u>\$ 7,589,050</u>

The debt service fund is primarily responsible for paying the bond obligations through funding from the capital outlay and FSPK funds. The general fund is primarily responsible for paying compensated absences and claims.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2014

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 Date</u>	<u>Proceeds</u>	<u>Rates</u>
January 2003	\$ 2,660,000	1.10% - 3.20%
September 2003	1,670,000	1.50% - 4.60%
June 2004	14,030,000	2.00% - 5.00%
October 2004	36,290,000	2.00% - 4.50%
November 2004	5,595,000	5.00% - 3.625%
December 2006	11,000,000	4.00% - 4.25%
December 2006	1,505,000	3.40% - 3.625%
March 2008	15,090,000	3.00% - 4.75%
May 2008	16,320,000	3.00% - 4.50%
September 2009	48,200,000	1.30% - 6.00%
October 2009	6,530,000	1.00% - 3.40%
July 2010	9,065,000	1.00% - 3.00%
December 2011	2,420,000	1.00% - 2.375%
February 2012	1,135,000	1.00% - 2.375%
March 2012	13,355,000	2.50% - 2.75%
December 2012	23,675,000	2.00% - 2.125%
October 2013	26,815,000	2.00% - 4.125%

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 Bullitt 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.

On October 1, 2013, the District issued \$26,815,000 in 2013 Series Revenue Bonds with an average interest rate of 4.09 percent. The net proceeds of \$26,137,940 (after \$140,760 in cost of issuance and \$536,300 of discount) were deposited in the Construction Fund.

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.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2014

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	U.S. Government Participation	District's Portion
2015	\$ 7,120,000	\$ 6,426,288	\$ 583,912	\$ 938,991	\$ 12,023,385
2016	7,295,000	6,212,902	552,608	934,854	12,020,440
2017	7,475,000	5,985,476	511,608	930,024	12,018,844
2018	7,635,000	5,770,579	459,941	924,572	12,021,066
2019	7,845,000	5,545,866	459,941	918,538	12,012,387
2020-2024	42,825,000	23,936,777	2,299,704	4,469,878	59,992,195
2025-2029	51,000,000	14,758,827	2,299,705	3,195,097	60,264,025
2030-2034	31,195,000	2,804,109	2,133,655	115,920	31,749,534
	<u>\$ 162,390,000</u>	<u>\$ 71,440,824</u>	<u>\$ 9,301,074</u>	<u>\$ 12,427,874</u>	<u>\$ 212,101,876</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 \$ 414,732

These assets are included in depreciable capital assets and depreciated in the statement of activities.

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, 2014:

Year Ending June 30,	Capital Lease Payable
2015	\$ 58,356
2016	49,362
2017	49,362
Total minimum lease payments	157,080
Less: amount representing interest	(10,941)
Present value of net minimum lease payments	<u>\$ 146,139</u>

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2014

NOTE 8 – PENSION PLANS

Plan Descriptions

The Bullitt 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 11.355% 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 13.105% of salaries for members in a state retirement system before July 1, 2008 and 14.105% of salaries for members who started their account after July 1, 2008 of annual covered payroll. The rate for CERS fiscal year 2014, 2013 and 2012 was 18.89%, 19.55% and 18.96% 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, 2014, 2013 and 2012 were \$2,759,303, \$2,805,647 and \$2,788,549, respectively, equal to the required contributions for each year.

For the years ended June 30, 2014, 2013 and 2012, the Commonwealth contributed \$6,473,695, \$6,331,347 and \$6,218,749 to KTRS for the benefit of the District's participating employees. The District's contributions to the KTRS for the years ended June 30, 2014, 2013 and 2012 were \$1,201,126, \$937,691 and \$905,292.

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.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2014

NOTE 8 – PENSION PLANS – CONTINUED

Funding Policy

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 2.25% 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, local school district employers pay 1.5% of members' salary for the 2014 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, 2014, there were no nonspendable fund balances.

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2014, the District had \$329,999 restricted for grants in the Special Revenue Fund, \$38,986 restricted for school activities in the District Activity Fund, \$250,996 restricted for capital projects in the SEEK Capital Outlay Fund, \$3,063,863 restricted for capital projects in the FSPK Fund and \$13,340,882 restricted for capital projects in the Construction 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 commitments recorded in the General Fund of and \$588,752 for compensated absences at June 30, 2014.

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, 2014, were \$1,109,401 recorded in the General Fund and \$82,651 recorded in the Special Revenue 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 \$65,329 for curriculum, \$268,676 for fiber optic repairs, \$800,000 for KSBIT, \$1,179,500 for future construction and \$9,334 for sick leave.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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 \$1,300,444. In August 2014, the District received an invoice for \$1,000,791 which is the amount expected to satisfy the claim. The amount of \$298,484 is recorded as a current liability in the Statement of Net Position as it is expected to be paid by June 30, 2015; however, it was not due at June 30, 2014, for the fund financial statements. The remaining balance is classified as a non-current liability in the Statement of Net Position. The item is also an extraordinary item in the Statement of Activities because the item is unusual in nature and infrequent in occurrence.

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2014

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:

Food Service Fund	\$ 149,763
-------------------	------------

NOTE 12 – ON-BEHALF PAYMENTS

The District receives on-behalf payments from the Commonwealth of Kentucky for items including pension, technology, health care costs, operating costs and debt service. The amount recognized for the year ended June 30, 2014 was \$17,416,691, recorded as follows \$16,789,630 in the General Fund, \$244,810 recorded in the Debt Service Fund and \$382,251 recorded in the Food Service Fund.

NOTE 13 – SUBSEQUENT EVENTS

On August 1, 2014, the District issued \$48,595,000 in school building refunding revenue bonds at interest rates ranging from 3.375% to 5.0% to refund the 2009 Build America Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

BULLITT COUNTY SCHOOL DISTRICT

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

GENERAL FUND

Year Ended June 30, 2014

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:			
From local sources:			
Taxes:			
Property	\$ 20,975,000	\$ 21,975,000	\$ 22,490,154
Motor vehicle	2,150,000	2,150,000	2,401,413
Utilities	4,200,000	4,200,000	4,616,627
Distilled spirits	1,425,000	1,425,000	1,469,888
Unmined minerals			4,578
Earnings on investments	275,000	125,000	103,235
Other local revenues	451,500	451,500	601,162
Intergovernmental - State	42,772,517	42,572,517	60,684,666
Intergovernmental - Indirect Federal	50,000	50,000	79,311
Total Revenues	<u>72,299,017</u>	<u>72,949,017</u>	<u>92,451,034</u>
Expenditures:			
Instruction	48,182,729	48,028,068	58,462,287
Support services:			
Student	2,676,663	2,714,499	3,420,793
Instruction staff	4,223,279	4,322,473	5,235,415
District administrative	2,401,639	2,468,419	2,225,575
School administrative	5,293,011	5,582,691	6,768,172
Business	1,620,948	1,455,850	1,399,056
Plant operation and maintenance	7,713,173	7,758,434	7,327,826
Student transportation	7,506,019	7,499,587	6,353,226
Other non-instruction	2,462,430	3,024,430	58,194
Total Expenditures	<u>82,079,891</u>	<u>82,854,451</u>	<u>91,250,544</u>
Excess (Deficit) of Revenues over Expenditures	(9,780,874)	(9,905,434)	1,200,490
Other Financing Sources (Uses):			
Transfers in	210,000	210,000	1,809,804
Transfers out	(229,126)	(229,126)	(846,767)
Total Other Financing Sources (Uses)	<u>(19,126)</u>	<u>(19,126)</u>	<u>963,037</u>
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(9,800,000)	(9,924,560)	2,163,527
Fund Balance, July 1, 2013	<u>9,800,000</u>	<u>9,924,560</u>	<u>11,950,675</u>
Fund Balance, June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,114,202</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 \$16,789,630.

BULLITT COUNTY SCHOOL DISTRICT

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

SPECIAL REVENUE FUND

Year Ended June 30, 2014

	Original	Final	Actual
Revenues:			
Earnings on investments	\$ -	\$ 222	\$ 408
Other local revenues		524,629	526,039
Intergovernmental - State	2,604,488	3,380,566	3,451,931
Intergovernmental - Indirect Federal	4,212,815	4,693,295	5,013,925
Intergovernmental - Direct Federal		165,955	165,955
Total Revenues	6,817,303	8,764,667	9,158,258
Expenditures:			
Instruction	4,436,084	6,147,612	6,557,664
Support services:			
Student	1,524,268	127,644	135,208
Instruction staff	1,086,077	1,389,935	812,718
School administrative		408,153	511,314
Business		140	
Plant operation and maintenance		81,882	31,349
Student transportation		126,662	220,865
Community service activities		711,765	717,138
Total Expenditures	7,046,429	8,993,793	8,986,256
Excess (Deficit) of Revenues over Expenditures	(229,126)	(229,126)	172,002
Other Financing Sources (Uses):			
Transfers in	229,126	229,126	229,126
Total Other Financing Sources (Uses)	229,126	229,126	229,126
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	-	-	401,128
Fund Balance, July 1, 2013	-	-	11,522
Fund Balance, June 30, 2014	\$ -	\$ -	\$ 412,650

SUPPLEMENTARY INFORMATION

BULLITT COUNTY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2014

	District Activity Fund	SEEK Capital Outlay Fund	FSPK Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and cash equivalents	\$ 38,986	\$ 250,996	\$ 3,063,863	\$ -	\$ 3,353,845
Total Assets	<u>\$ 38,986</u>	<u>\$ 250,996</u>	<u>\$ 3,063,863</u>	<u>\$ -</u>	<u>\$ 3,353,845</u>
Liabilities and Fund Balances:					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	38,986	250,996	3,063,863	-	3,353,845
Total Fund Balances	<u>38,986</u>	<u>250,996</u>	<u>3,063,863</u>	<u>-</u>	<u>3,353,845</u>
Total Liabilities and Fund Balances	<u>\$ 38,986</u>	<u>\$ 250,996</u>	<u>\$ 3,063,863</u>	<u>\$ -</u>	<u>\$ 3,353,845</u>

BULLITT COUNTY SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

Year Ended June 30, 2014

	District Activity Fund	SEEK Capital Outlay Fund	FSPK Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues					
From local sources:					
Property taxes	\$ -	\$ -	\$ 8,680,980	\$ -	\$ 8,680,980
Other local revenues	79,232		473		79,705
Earnings on investments		251	2,439	64,662	67,352
Intergovernmental - State		1,179,500	2,764,056	244,810	4,188,366
Intergovernmental - Direct federal				867,512	867,512
Total Revenues	<u>79,232</u>	<u>1,179,751</u>	<u>11,447,948</u>	<u>1,176,984</u>	<u>13,883,915</u>
Expenditures					
Instruction	40,246				40,246
Debt service:					
Principal				6,475,000	6,475,000
Interest				6,135,356	6,135,356
Total Expenditures	<u>40,246</u>	<u>-</u>	<u>-</u>	<u>12,610,356</u>	<u>12,650,602</u>
Excess (Deficit) of Revenues over Expenditures	38,986	1,179,751	11,447,948	(11,433,372)	1,233,313
Other Financing Sources (Uses)					
Transfers in				11,433,372	11,433,372
Transfers out		(1,179,500)	(11,104,629)		(12,284,129)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,179,500)</u>	<u>(11,104,629)</u>	<u>11,433,372</u>	<u>(850,757)</u>
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	38,986	251	343,319	-	382,556
Fund balance, July 1, 2013	<u>-</u>	<u>250,745</u>	<u>2,720,544</u>	<u>-</u>	<u>2,971,289</u>
Fund balance, June 30, 2014	<u>\$ 38,986</u>	<u>\$ 250,996</u>	<u>\$ 3,063,863</u>	<u>\$ -</u>	<u>\$ 3,353,845</u>

BULLITT COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS

June 30, 2014

	Bernheim Middle School	Brooks Elementary	Bullitt Central High School	Bullitt Co. Day Treatment	Bullitt East High School	Bullitt Lick Middle School	Cedar Grove Elementary
Assets							
Cash and cash equivalents:	\$ 50,122	\$ 16,515	\$ 170,772	\$ -	\$ 220,841	\$ 20,083	\$ 87,084
Receivables			3,981				
Total Assets	<u>\$ 50,122</u>	<u>\$ 16,515</u>	<u>\$ 174,753</u>	<u>\$ -</u>	<u>\$ 220,841</u>	<u>\$ 20,083</u>	<u>\$ 87,084</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ 4,758	\$ -	\$ 1,409	\$ -	\$ -
Due to student groups	50,122	16,515	169,995		219,432	20,083	87,084
Total Liabilities	<u>\$ 50,122</u>	<u>\$ 16,515</u>	<u>\$ 174,753</u>	<u>\$ -</u>	<u>\$ 220,841</u>	<u>\$ 20,083</u>	<u>\$ 87,084</u>
	Crossroads Elementary	Eastside Middle School	Freedom Elementary	Hebron Middle School	Lebanon Junction Elementary	Maryville Elementary	Mt. Washington Elementary
Assets							
Cash and cash equivalents:	\$ 22,218	\$ 33,391	\$ 50,642	\$ 31,572	\$ 47,251	\$ 34,761	\$ 40,351
Receivables					3,675		270
Total Assets	<u>\$22,218</u>	<u>\$33,391</u>	<u>\$50,642</u>	<u>\$31,572</u>	<u>\$50,926</u>	<u>\$34,761</u>	<u>\$40,621</u>
Liabilities							
Accounts payable	\$ 370	\$ -	\$ -	\$ -	\$ -	\$ 1,502	\$ 624
Receivables	21,848	33,391	50,642	31,572	50,926	33,259	39,997
Total Liabilities	<u>\$22,218</u>	<u>\$33,391</u>	<u>\$50,642</u>	<u>\$31,572</u>	<u>\$50,926</u>	<u>\$34,761</u>	<u>\$40,621</u>
	Mt. Washington Middle School	Nichols Elementary	North Bullitt High School	Old Mill Elementary	Overdale Elementary	Pleasant Grove Elementary	Shepherdsville Elementary
Assets							
Cash and cash equivalents:	\$ 75,977	\$ 11,324	\$ 71,961	\$ 28,919	\$ 25,979	\$ 13,112	\$ 48,990
Receivables			2,845			35	153
Total Assets	<u>\$ 75,977</u>	<u>\$ 11,324</u>	<u>\$ 74,806</u>	<u>\$ 28,919</u>	<u>\$ 25,979</u>	<u>\$ 13,147</u>	<u>\$ 49,143</u>
Liabilities							
Accounts payable	\$ 236	\$ -	\$ -	\$ 274	\$ -	\$ -	\$ -
Due to student groups	75,741	11,324	74,806	28,645	25,979	13,147	49,143
Total Liabilities	<u>\$ 75,977</u>	<u>\$ 11,324</u>	<u>\$ 74,806</u>	<u>\$ 28,919</u>	<u>\$ 25,979</u>	<u>\$ 13,147</u>	<u>\$ 49,143</u>
	Riverview High School	Roby Elementary	Zoneton Middle School	Total Agency Fund			
Assets							
Cash and cash equivalents:	\$ -	\$ 23,478	\$ 48,090	\$ 1,173,433			
Receivables				10,959			
Total Assets	<u>\$-</u>	<u>\$23,478</u>	<u>\$48,090</u>	<u>\$ 1,184,392</u>			
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 9,173			
Due to student groups		23,478	48,090	1,175,219			
Total Liabilities	<u>\$-</u>	<u>\$ 23,478</u>	<u>\$ 48,090</u>	<u>\$ 1,184,392</u>			

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

YEAR ENDED JUNE 30, 2014

NAME OF ACTIVITY	CASH		DISBURSE- MENTS	CASH		RECEIVABLES	ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES July 1, 2013	RECEIPTS		BALANCES June 30, 2014	June 30, 2014			
Bernheim Middle	\$ 46,216	\$ 108,508	\$ 104,602	\$ 50,122	-	-	\$ 50,122	
Brooks Elementary	19,568	42,234	45,287	16,515	-	-	16,515	
Bullitt Central High	115,973	326,741	271,942	170,772	3,981	4,758	169,995	
Bullitt East High	220,974	898,823	898,956	220,841	-	1,409	219,432	
Bullitt Lick Middle	7,805	109,290	97,012	20,083	-	-	20,083	
Cedar Grove Elementary	103,718	53,334	69,968	87,084	-	-	87,084	
Crossroads Elementary	16,579	94,771	89,132	22,218	-	370	21,848	
Eastside Middle	32,939	71,029	70,577	33,391	-	-	33,391	
Freedom Elementary	47,339	30,225	26,922	50,642	-	-	50,642	
Hebron Middle	22,401	121,222	112,051	31,572	-	-	31,572	
Lebanon Junction Elementary	35,180	55,503	43,432	47,251	3,675	-	50,926	
Maryville Elementary	21,690	29,472	16,401	34,761	-	1,502	33,259	
Mt. Washington Elementary	35,380	59,092	54,121	40,351	270	624	39,997	
Mt. Washington Middle	50,589	161,831	136,443	75,977	-	236	75,741	
Nichols Elementary	11,818	25,542	26,036	11,324	-	-	11,324	
North Bullitt High	55,716	436,153	419,908	71,961	2,845	-	74,806	
Old Mill Elementary	18,274	82,757	72,112	28,919	-	274	28,645	
Overdale Elementary	21,517	66,389	61,927	25,979	-	-	25,979	
Pleasant Grove Elementary	10,895	57,755	55,538	13,112	35	-	13,147	
Shepherdsville Elementary	79,856	62,487	93,353	48,990	153	-	49,143	
Roby Elementary	25,298	47,085	48,905	23,478	-	-	23,478	
Zoneton Middle	39,944	83,943	75,797	48,090	-	-	48,090	
	<u>\$ 1,039,669</u>	<u>\$ 3,024,186</u>	<u>\$ 2,890,422</u>	<u>\$ 1,173,433</u>	<u>\$ 10,959</u>	<u>\$ 9,173</u>	<u>\$ 1,175,219</u>	

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT CENTRAL HIGH SCHOOL

YEAR ENDED JUNE 30, 2014

NAME OF ACTIVITY	CASH BALANCES July 1, 2013	RECEIPTS	DISBURSE- MENTS	CASH BALANCES June 30, 2014	RECEIVABLES June 30, 2014	ACCOUNTS PAYABLE June 30, 2014	DUE TO STUDENT GROUPS June 30, 2014
Academic	-	220	90	130	-	-	130
Agriculture	-	170	-	170	-	-	170
Anatomy	-	345	46	299	-	-	299
Animal Science	43	100	-	143	-	-	143
Annual	2,743	10,432	2,071	11,104	-	1,667	9,437
AP English	-	901	901	-	-	-	-
Archery Club	-	2,499	1,459	1,040	-	-	1,040
Art Club	61	-	-	61	-	-	61
Art Class Fees	237	-	-	237	-	-	237
Art Class Fees	131	470	-	601	-	-	601
Athletes-Cokes	20,814	20,144	15,712	25,246	-	-	25,246
Athletics	3,951	27,744	25,064	6,631	-	595	6,036
B.C. Music	3,996	3,051	2,128	4,919	-	-	4,919
Background Checks	-	272	262	10	-	-	10
Band	-	-	-	-	-	-	-
Baseball	10	7,744	7,754	-	-	-	-
Basketball- Boys	1	11,204	11,205	-	-	-	-
Beta Club	114	2,455	2,420	149	-	-	149
Biology Lab Fee	1,142	4,490	3,612	2,020	-	-	2,020
Bowling	-	2,551	395	2,156	-	-	2,156
Boys Soccer	319	3,753	2,695	1,377	-	-	1,377
Business	2,195	225	-	2,420	-	70	2,350
Cheerleading	-	1,773	1,730	43	-	-	43
Chemistry Club	291	995	-	1,286	-	-	1,286
Chemistry Student Lab Fees	2,716	570	(25)	3,311	-	-	3,311
Choir	-	90	76	14	-	-	14
Construction Class Fee	-	50	34	16	-	-	16
Cooking	-	-	-	-	-	-	-
Coulter	2,891	1,062	297	3,656	-	-	3,656
G and B Cross Country	-	3,483	3,161	322	-	60	262
District Tournament Host Sch	-	8,578	8,080	498	-	-	498
Drama Club	5,968	2,001	2,580	5,389	-	-	5,389
Engineering & Tech	1	-	-	1	-	-	1
Environment	94	70	53	111	-	-	111
FACS - Food/Nutrition	467	1,717	1,642	542	-	30	512
FBLA	3,375	6,036	6,620	2,791	-	-	2,791
FCCLA	426	2,159	2,100	485	-	-	485
FFA	1,355	11,591	11,479	1,467	-	-	1,467
Fellowship of Christian Athletes	155	296	323	128	-	-	128
Student Field Trip	4,232	6,150	5,610	4,772	-	-	4,772
Film Club	-	10	10	-	-	-	-
Nook Non Refundable Deposit	184	-	-	184	-	-	184
Floral Design	503	-	160	343	-	-	343
Football	4	29,007	21,471	7,540	-	-	7,540
Forensic Class Lab	-	30	15	15	-	-	15
Fund 22	-	1,058	1,058	-	-	-	-
Garden Sales	-	5	-	5	-	-	5
Freshman Top 99 Students	-	-	(40)	40	-	-	40
Girls Basketball	508	7,256	6,695	1,069	-	-	1,069
General	114	615	462	267	-	-	267
B and G Golf	-	1,297	881	416	-	-	416
Girls Soccer	1	2,374	2,279	96	-	-	96
Green House	1,846	2,874	2,025	2,695	-	200	2,495
Guidance Office	3,169	24,070	20,122	7,117	-	-	7,117
Homecoming Activities	695	428	588	535	-	-	535
Integrated Chemistry	812	210	15	1,007	-	-	1,007
Insurance	24	-	-	24	-	-	24

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT CENTRAL HIGH SCHOOL- CONCLUDED

YEAR ENDED JUNE 30, 2014

NAME OF ACTIVITY	CASH	RECEIPTS	DISBURSE- MENTS	CASH	RECEIVABLES	ACCOUNTS PAYABLE	DUE TO
	BALANCES July 1, 2013			BALANCES June 30, 2014			June 30, 2014
Journalism	130	-	-	130	-	-	130
Jr Beta Club	506	-	-	506	-	-	506
Junior Class	649	13,624	13,166	1,107	-	-	1,107
Kycid-Non Student	119	211	79	251	-	-	251
Kycid-Non Student	591	1,582	493	1,680	-	-	1,680
Landscape	-	15	-	15	-	-	15
Library	2,430	1,025	3,258	197	-	-	197
Math Fees	45	2,073	730	1,388	-	-	1,388
Mechanics	20	348	131	237	-	-	237
Medical Test Class Fee	-	2,598	1,298	1,300	-	-	1,300
Morning Report	54	-	-	54	-	-	54
National Honor Society	1,487	1,058	734	1,811	-	-	1,811
Nonstudent Generated	7,308	1,377	1,336	7,349	-	300	7,049
Outdoor	60	-	-	60	-	-	60
Parking Lot	1,975	4,876	2,936	3,915	-	336	3,579
PEP Club	1,138	547	1,643	42	-	-	42
Piano Guit	-	30	-	30	-	-	30
Practical Living Class	863	-	-	863	-	-	863
Pride Academy	2	-	-	2	-	-	2
Money for Seniors	-	8,837	8,837	-	-	-	-
Pride Academy	501	210	585	126	-	-	126
Robotics	-	1,060	513	547	-	-	547
Relay for Life	-	-	-	-	-	-	-
ROTC	10,023	3,020	3,109	9,934	-	-	9,934
ROTC Scabbard	4,105	5,003	6,388	2,720	3,981	228	6,473
SADD	2,323	2,731	2,469	2,585	-	-	2,585
School Pictures	3,253	4,100	-	7,353	-	-	7,353
Science Club	3,132	365	934	2,563	-	-	2,563
Senior Dues	133	17,693	10,118	7,708	-	1,272	6,436
Senior English	608	-	527	81	-	-	81
Senior Portrait	4,106	-	1,263	2,843	-	-	2,843
Softball	3	10,667	10,670	-	-	-	-
Spanish Club	34	472	424	82	-	-	82
Special Ed	403	75	-	478	-	-	478
Speech	347	-	-	347	-	-	347
Sophomore Account	1,000	-	90	910	-	-	910
Student Government	451	608	937	122	-	-	122
Teachers	661	353	840	174	-	-	174
Technology	20	-	-	20	-	-	20
Tennis	-	1,658	1,452	206	-	-	206
Textbooks Lost	884	140	42	982	-	-	982
Track	412	8,016	7,870	558	-	-	558
Volleyball	608	10,833	6,963	4,478	-	-	4,478
Wrestling	1	6,911	6,792	120	-	-	120
Sub Total	\$ 115,973	\$ 326,741	\$ 271,942	\$ 170,772	\$ 3,981	\$ 4,758	\$ 169,995
Interfund Transfers	-	26,194	26,194	-	-	-	-
Total	\$ 115,973	\$ 300,547	\$ 245,748	\$ 170,772	\$ 3,981	\$ 4,758	\$ 169,995

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT EAST HIGH SCHOOL

YEAR ENDED JUNE 30, 2014

NAME OF ACTIVITY	CASH BALANCES July 1, 2013	RECEIPTS	DISBURSE- MENTS	CASH BALANCES June 30, 2014	RECEIVABLES June 30, 2014	ACCOUNTS PAYABLE June 30, 2014	DUE TO STUDENT GROUPS June 30, 2014
Academic Team	\$ 18	\$ 287	\$ 305	\$ -	\$ -	\$ -	\$ -
Ambassador Club	-	-	-	-	-	-	-
Annual	1,203	33,275	33,561	917	-	-	917
Archery	4,025	11,395	13,013	2,407	-	-	2,407
Art Club	103	105	-	208	-	-	208
Art Class	80	1,666	1,647	99	-	-	99
Art/Humanities	517	930	1,400	47	-	-	47
Athletics	8,611	27,488	20,188	15,911	-	-	15,911
Attendance	577	202	456	323	-	-	323
Business & Office	45	5,356	5,250	151	-	-	151
Background Checks	-	230	220	10	-	-	10
Band	583	5,743	6,167	159	-	-	159
Baseball	8,102	93,552	85,052	16,602	-	-	16,602
Basketball- Boys	12,070	46,358	39,202	19,226	-	-	19,226
Basketball- Girls	16,945	31,268	39,557	8,656	-	-	8,656
Beta Club	2,653	3,061	4,385	1,329	-	-	1,329
Beta Scholarships	181	5,662	5,678	165	-	-	165
Biology	945	3,220	4,064	101	-	-	101
Bookstore	5,047	291	4,396	942	-	-	942
Bowling	731	4,613	5,091	253	-	-	253
Career Seminar Class	-	1,132	213	919	-	-	919
Charger Camp	12,365	11,551	9,389	14,527	-	-	14,527
Cheerleaders	18,715	99,040	97,914	19,841	-	-	19,841
Chemistry	88	1,920	1,745	263	-	-	263
Chorus	3,660	5,683	4,837	4,506	-	-	4,506
Coke	5,933	656	3,870	2,719	-	-	2,719
Concessions	1,982	3,327	3,668	1,641	-	-	1,641
Culinary Club	-	90	40	50	-	-	50
Cross Country	2,665	13,277	13,341	2,601	-	-	2,601
Dance	76	1,050	933	193	-	-	193
Dominica Club	-	24,814	24,814	-	-	-	-
Drama Club	4,004	2,497	3,656	2,845	-	-	2,845
E-School	-	-	-	-	-	-	-
East Regional Music Festival	4,063	2,583	5,265	1,381	-	-	1,381
Ecology Club	-	2,984	1,661	1,323	-	-	1,323
Engineering Club	9	249	258	-	-	-	-
English	708	8,435	8,899	244	-	-	244
Environmental Club	557	-	557	-	-	-	-
Field Trips	1,035	5,535	5,624	946	-	-	946
Faculty Lounge	362	660	731	291	-	-	291
Family Consumer Science	105	1,503	1,565	43	-	-	43
FBLA	3,053	9,382	9,415	3,020	-	-	3,020
FCA	679	1,477	2,029	127	-	-	127
FCCLA	-	-	-	-	-	-	-
FFA	400	8,729	6,511	2,618	-	600	2,018
Flex School	190	-	190	-	-	-	-
Football	26,892	74,920	82,077	19,735	-	-	19,735
Football Camp	-	-	-	-	-	-	-
Freshman	1,964	44,543	43,532	2,975	-	-	2,975
Future Educators	-	350	350	-	-	-	-
General	2,503	1,604	1,781	2,326	-	-	2,326
Golf- Boys	6,395	36,102	36,566	5,931	-	-	5,931
Golf- Girls	7,746	11,999	10,606	9,139	-	-	9,139
Guidance	6,490	40,393	39,410	7,473	-	-	7,473
Insurance	-	-	-	-	-	-	-
Houses	-	16,369	16,369	-	-	-	-
Journalism	475	3,336	3,311	500	-	162	338
Junior Class	1,328	26,828	26,655	1,501	-	-	1,501
Jr. Beta	-	145	-	145	-	-	145
KVHS	25	-	25	-	-	-	-
Student Government	2,457	2,676	3,050	2,083	-	-	2,083
Library	502	518	546	474	-	-	474
Marquee	-	-	-	-	-	-	-
Math	107	6,370	6,115	362	-	-	362
Media	-	541	541	-	-	-	-

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT EAST HIGH SCHOOL- CONCLUDED

YEAR ENDED JUNE 30, 2014

NAME OF ACTIVITY	CASH BALANCES July 1, 2013	RECEIPTS	DISBURSE- MENTS	CASH BALANCES June 30, 2014	RECEIVABLES June 30, 2014	ACCOUNTS PAYABLE June 30, 2014	DUE TO STUDENT GROUPS June 30, 2014
Mock Trail	-	-	-	-	-	-	-
New York Trip	-	-	-	-	-	-	-
National Honor Society	9,897	4,581	7,439	7,039	-	-	7,039
NHS Scholarships	-	5,053	5,052	1	-	-	1
Office	615	-	615	-	-	-	-
Parking Permits	1,634	5,576	6,612	598	-	-	598
Physics	157	150	-	307	-	-	307
Rachel Challenge	461	-	231	230	-	-	230
Relay for Life	-	506	506	-	-	-	-
Sci-Fi Club	25	1,363	696	692	-	250	442
Robotics	-	-	-	-	-	-	-
ROTC	868	3,606	3,840	634	-	-	634
RZR Club	278	955	938	295	-	-	295
Science	-	2,287	763	1,524	-	-	1,524
Soccer- Boys	116	8,771	8,515	372	-	-	372
Soccer- Girls	5,478	5,597	3,302	7,773	-	-	7,773
Soccer- Camp	1,072	-	1,072	-	-	-	-
Softball	1,588	7,527	8,815	300	-	-	300
Speech Club	365	-	166	199	-	-	199
Sports Facilitation	-	-	-	-	-	-	-
Senior Class	441	47,027	45,135	2,333	-	397	1,936
Sweats Day	-	4,375	4,159	216	-	-	216
Swim Team	918	5,120	4,486	1,552	-	-	1,552
Textbook Fines	288	861	855	294	-	-	294
Technology	-	-	-	-	-	-	-
Tennis- Boys	4	1,682	1,618	68	-	-	68
Tennis- Girls	806	2,240	2,575	471	-	-	471
Track	963	7,297	7,037	1,223	-	-	1,223
Volleyball	2,357	9,247	7,800	3,804	-	-	3,804
Wrestling	7,589	14,823	15,395	7,017	-	-	7,017
Zoology	-	300	182	118	-	-	118
	<u>220,974</u>	<u>898,823</u>	<u>898,956</u>	<u>220,841</u>	<u>-</u>	<u>1,409</u>	<u>219,432</u>
Interfund Transfers	-	32,890	32,890	-	-	-	-
TOTAL	\$ 220,974	\$ 865,933	\$ 866,066	\$ 220,841	\$ -	\$ 1,409	\$ 219,432

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

NORTH BULLITT HIGH SCHOOL

YEAR ENDED JUNE 30, 2014

NAME OF ACTIVITY	CASH	RECEIPTS	DISBURSE-	CASH	RECEIVABLES	ACCOUNTS	DUE TO
	BALANCES		MENTS	BALANCES		PAYABLE	STUDENT
	July 1, 2013			June 30, 2014	June 30, 2014	June 30, 2014	GROUPS
							June 30, 2014
Academic Team	\$ 2,420	\$ 910	\$ 903	\$ 2,427	\$ -	\$ -	\$ 2,427
Aha Club	-	-	-	-	-	-	-
All County Music	-	-	-	-	-	-	-
Annual	2,707	12,034	2,257	12,484	-	-	12,484
AP Exams	-	15,822	15,822	-	-	-	-
Archery	2,362	3,844	5,614	592	-	-	592
Art Department	1,651	700	2,281	70	-	-	70
ASL	75	-	75	-	-	-	-
Athletic Building Fund	-	-	-	-	-	-	-
Athletic Program	-	22,733	22,733	-	-	-	-
Attendance	-	-	-	-	-	-	-
Band	1,352	5,568	2,313	4,607	-	-	4,607
Banking	-	-	-	-	-	-	-
Baseball	-	21,937	21,439	498	2,845	-	3,343
Basketball- Boys	-	26,081	19,282	6,799	-	-	6,799
Basketball- Girls	6,066	9,259	13,821	1,504	-	-	1,504
Beta Club	1,233	1,866	1,913	1,186	-	-	1,186
Bowling	199	2,982	1,294	1,887	-	-	1,887
Boy's Soccer	-	5,815	5,815	-	-	-	-
Boys/Girls Track	-	-	-	-	-	-	-
Business Department	68	-	68	-	-	-	-
Cheerleaders	6,945	12,893	18,544	1,294	-	-	1,294
Choir	-	-	-	-	-	-	-
Cooking Camp	-	-	-	-	-	-	-
Counselors	-	2,273	2,273	-	-	-	-
Culture Club	863	1,728	1,329	1,262	-	-	1,262
Dance Team	146	3,747	3,569	324	-	-	324
Drama	1,247	2,609	2,353	1,503	-	-	1,503
DECA	42	112	87	67	-	-	67
E-School	-	-	-	-	-	-	-
Europe Trip	-	-	-	-	-	-	-
FBLA	458	2,738	2,947	249	-	-	249
FCA	-	-	-	-	-	-	-
FCCLA	114	110	51	173	-	-	173
FEA	713	-	128	585	-	-	585
Field Trip	-	662	662	-	-	-	-
Flex School	-	-	-	-	-	-	-
FMD	-	485	390	95	-	-	95
Family Consumer Science	334	3,885	2,460	1,759	-	-	1,759
Football	-	42,522	40,158	2,364	-	-	2,364
Forensics	-	-	-	-	-	-	-
Freshman Activities	46	2,380	2,426	-	-	-	-
Girl's Soccer	486	7,666	7,701	451	-	-	451
Girls/Boy's Cross Country	340	959	1,159	140	-	-	140
Golf - Boys	-	411	411	-	-	-	-
Golf - Girls	653	250	505	398	-	-	398
Journalism Club	-	102	-	102	-	-	102
JROTC	-	34,950	25,722	9,228	-	-	9,228
Junior Class	1,322	19,230	11,926	8,626	-	-	8,626
Language Arts	-	451	451	-	-	-	-
Library	491	152	643	-	-	-	-
Life Skills	-	-	-	-	-	-	-
Lockers-Student	6,800	2,925	9,725	-	-	-	-
Lunch Account	-	-	-	-	-	-	-
Math	1,240	-	1,240	-	-	-	-
NBHS Family	-	1,015	751	264	-	-	264
National Honor Society	-	322	320	2	-	-	2
Operational	-	29,623	29,615	8	-	-	8
Parking - Student	2,362	5,191	7,553	-	-	-	-
Pep Club	1,625	-	1,446	179	-	-	179
Photography Club	-	3	3	-	-	-	-
Project Graduation	-	59	59	-	-	-	-
Random Act of Kindness	-	-	-	-	-	-	-
Recycling	-	-	-	-	-	-	-
School Pictures	-	-	-	-	-	-	-
Science Club	3,658	3,120	6,778	-	-	-	-
Senior Class	-	19,738	19,738	-	-	-	-

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

NORTH BULLITT HIGH SCHOOL- CONCLUDED

YEAR ENDED JUNE 30, 2014

NAME OF ACTIVITY	CASH	DISBURSE-	CASH	RECEIVABLES	ACCOUNTS	DUE TO	
	BALANCES		BALANCES				PAYABLE
	July 1, 2013	MENTS	June 30, 2014	June 30, 2014	June 30, 2014	GROUPS	
		RECEIPTS				June 30, 2014	
Softball	-	6,797	5,558	1,239	-	-	1,239
Spanish Club	424	65	50	439	-	-	439
Special Ed	324	-	324	-	-	-	-
Student Coke/Snack	311	196	507	-	-	-	-
Student Council	102	-	102	-	-	-	-
Swim Team	-	155	80	75	-	-	75
Teacher Fund	520	1,014	1,447	87	-	-	87
Technology	-	-	-	-	-	-	-
Tennis - Girl's	-	985	878	107	-	-	107
Tennis - Boy's	-	13	13	-	-	-	-
Textbooks Lost and Fines	-	-	-	-	-	-	-
Track	-	1,896	1,871	25	-	-	25
Volleyball	6,016	14,575	15,241	5,350	-	-	5,350
Weightlifting	-	-	-	-	-	-	-
Winter Sports Club	-	-	-	-	-	-	-
Wrestling	-	3,573	3,456	117	-	-	117
Wicked Crafts (Bullitt Bands)	-	-	-	-	-	-	-
Youth Services	-	-	-	-	-	-	-
Band (NBHS)	-	567	253	314	-	-	314
Background Checks	-	170	170	-	-	-	-
Art History	-	2,397	2,109	288	-	-	288
PBIS/RTI	-	1,752	1,083	669	-	-	669
Psychology	-	346	346	-	-	-	-
US History	-	770	770	-	-	-	-
Coke Fund	-	3,530	1,406	2,124	-	-	2,124
Fund 22	-	6,260	6,260	-	-	-	-
Start Up Gate Money	-	3,700	3,700	-	-	-	-
Chess	-	30	30	-	-	-	-
Class of 2014	-	49,856	49,856	-	-	-	-
Class of 2014 Senior Trip	-	5,645	5,645	-	-	-	-
Subtotal	\$ 55,715	\$ 436,154	\$ 419,908	\$ 71,961	\$ 2,845	\$ -	\$ 74,806
Interfund Transfers	-	74,666	74,666	-	-	-	-
TOTAL	\$ 55,715	\$ 361,488	\$ 345,242	\$ 71,961	\$ 2,845	\$ -	\$ 74,806

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2014

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Child Nutrition Cluster - Cash Assistance Passed Through State Department of Education National School Lunch Program	10.555	7750002-13 7750002-14	\$ 560,613 2,044,365
School Breakfast Program	10.553	7760005-13 7760005-14	188,643 671,374
Summer Food Service Program for Children	10.559	7690024-13 7740023-13 7740023-14	1,658 15,873 30,551
Non-Cash Assistance (Commodities) National School Lunch Program	10.555	057502-02	<u>350,607</u>
TOTAL CHILD NUTRITION CLUSTER			<u>3,863,684</u>
Team Nutrition Grants	10.574	DIRECT	6,500
TOTAL U.S. DEPT. OF AGRICULTURE			<u>3,870,184</u>
<u>U.S. DEPARTMENT OF DEFENSE</u>			
National Guard ChallenGE Program	12.404	5044	<u>165,955</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>165,955</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Passed Through State Department of Energy State Energy Program	81.041	5694	<u>8,968</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>8,968</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Special Education Cluster (IDEA) - Passed Through State Department of Education			
Special Education - Grants to States	84.027	3373 3373P 3374	1,057,183 13,613 <u>1,249,588</u>
			<u>2,320,384</u>
Special Education - Preschool Grants	84.173	3433 3434	33,849 <u>75,746</u>
			<u>109,595</u>
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>2,429,979</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	3102 3102M 3103 3103M 3104 3104M 3202 3204E	2,331 2,500 244,038 31,531 1,206,864 56,530 86,990 <u>109,336</u>
			<u>1,740,120</u>

BULLITT COUNTY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2014

<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>
Title I Program for Neglected and Delinquent Children	84.013	3133	254
		3133T	1,727
		3134	20,488
		3134T	2
		<u>22,471</u>	
Vocational Education - Basic Grants to States	84.048	3483	14,604
		3484	83,770
		<u>98,374</u>	
Education of Homeless Children and Youth	84.196	3163	13,224
		3164	29,582
			<u>42,806</u>
Twenty-First Century Community Learning Centers	84.287	5503	<u>238,965</u>
Improving Teacher Quality - State Grants	84.367	4013	173,592
		4014	100,563
		<u>274,155</u>	
ARRA - School Improvement Grants, Recovery Act	84.388A	5600B	3,328
		5600C	148,640
			<u>151,968</u>
Race to the Top	84.413A	4521	<u>12,715</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>5,011,553</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 9,056,660</u>

BULLITT COUNTY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2014

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Bullitt County School District under programs of the federal government for the year ended June 30, 2014. 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 Bullitt County School District, it is not intended to and does not present the financial position, changes in net assets or cash flows of Bullitt 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

BULLITT COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

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 no

- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no

- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes 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 no

Section I-Summary of Auditor's Results - Continued

Identification of major programs:

CFDA Number	Federal Program or Cluster
DEPARTMENT OF AGRICULTURE	
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
DEPARTMENT OF EDUCATION	
Special Education Cluster	
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants

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

MATERIAL WEAKNESSES

REFERENCE NUMBER 2014-001 ADJUSTMENTS

Criteria: The District's management is responsible for establishing and maintaining internal controls for the proper recording of all the District's accounting transactions.

Condition: As part of the audit we proposed material adjustments to the financial statements

Cause: The District did not identify items to be corrected.

Effect: The design of the internal controls identifying adjustments did not prevent material adjustments.

Recommendation: We recommend District management and financial personnel review the procedures and processes involved in recording journal entries and enhance its internal control policies to ensure proper recording of these items.

Management Response: Management will review the procedures and processes involved in recording journal entries and enhance its internal control policies to ensure proper recording of these items by October 31, 2014.

MATERIAL WEAKNESSES

REFERENCE NUMBER 2014-002 SEGREGATION OF DUTIES

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

Condition: As part of the audit we noted that the controls over payroll were not properly designed.

Cause: The District did not design appropriate controls over payroll.

Effect: Payroll transactions were not properly segregated among employees.

Recommendation: We recommend District management and financial personnel review the procedures and processes involved over payroll and design and implement procedures to ensure segregation of duties.

Management Response: Management will review the procedures and processes involved over payroll and design and implement procedures to ensure segregation of duties by December 1, 2014.

Section III – Federal Award Findings and Questioned Costs

No matters

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

BULLITT COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2014

There were no prior federal audit findings.

**INDEPENDENT AUDITOR'S
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
Bullitt County School District
Shepherdsville, 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 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 Bullitt County School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Bullitt County School District's basic financial statements, and have issued our report thereon dated October 20, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bullitt 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bullitt 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 Bullitt County School District in a separate letter dated October 20, 2014.

Bullitt County School District's Response to Findings

Bullitt County School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Bullitt County School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 20, 2014

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

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
Bullitt County School District
Shepherdsville, Kentucky

Report on Compliance for Each Major Federal Program

We have audited Bullitt 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 Bullitt County School District's major federal programs for the year ended June 30, 2014. Bullitt 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 Bullitt 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 and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bullitt 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 Bullitt County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Bullitt 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, 2014.

Report on Internal Control Over Compliance

Management of Bullitt 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 Bullitt 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 Bullitt 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 20, 2014

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
Bullitt County School District
Shepherdsville, Kentucky

In planning and performing our audit of the basic financial statements of Bullitt County School District for the year ended June 30, 2014, 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 20, 2014, contains our report on the District's internal control. This letter does not affect our report dated October 20, 2014, on the financial statements of the Bullitt 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 Bullitt County Board of Education, others within the District, the Kentucky Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Certified Public Accountants
Elizabethtown, Kentucky
October 20, 2014

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS

June 30, 2014

4TH YEAR UNCORRECTED COMMENTS

NORTH BULLITT HIGH

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that a check listing was submitted by the NBHS Booster Club in place of the Annual Financial Reports for FY 2013-2014 which did not list receipts and expenditures by category and was not dated. We also noted that the Annual Financial Report submitted by the NBHS Band Booster Club did not list receipts and expenditures by category.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

3RD YEAR UNCORRECTED COMMENTS

BULLITT EAST HIGH

INVENTORY CONTROL

We noted form F-SA-5, Inventory Control, for Girls Basketball Concessions was not properly completed. Ending inventory for one count did not flow through to the beginning inventory of the next count for all five inventory counts completed between 11/26/2013-1/26/2014, and there was no indication of why the counts did not match.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

UNCORRECTED PRIOR YEAR COMMENTS

BULLITT CENTRAL HIGH

INVENTORY CONTROL

We noted form F-SA-5, Inventory Control Worksheet was not completed for the following fundraisers: Track & Field Peeler Cards, Wrestling Candy Bar Sales, FFA Beef Jerky Sales or Boy's Soccer Kroger Card Sales. These items were purchased in bulk then sold by the clubs. Per Redbook requirements, form F-SA-5 should be completed.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

HEBRON MIDDLE

TICKET SALES

We noted that the forms F-SA-1, Requisition and Report of Ticket Sales, that were completed for all of the events did not complete the change box portion of the form.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

MT. WASHINGTON MIDDLE

INVENTORY CONTROL

We noted that the Girls Basketball Concessions F-SA-5, Inventory Control, was not properly completed. Beginning Inventory and Ending Inventory were listed as "unknown". The form also states that an accurate inventory count has not been performed. We were unable to determine the frequency of the inventory counts.

We noted that the Boys Basketball Concessions F-SA-5, Inventory Control, was not properly completed. The beginning Inventory section did not contain an itemized list of what is to be sold. For Ending Inventory there is a note stating "Inventory is not accurate due to workers not getting counts." We were unable to determine the frequency of the inventory counts.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

NICHOLS ELEMENTARY

MULTIPLE RECEIPT FORM

We noted a deposit dated 12/20/2013, in the amount of \$338.50 for Computers for Education in the Fall and Spring Fundraisers Fundraisers Activity Fund was not documented on form F-SA-6, Multiple Receipt Form.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

CURRENT YEAR COMMENTS

BROOKS ELEMENTARY

UNALLOWABLE PURCHASE

We noted check #2489 dated 4/30/2014 in the amount of \$8,000 written to the Bullitt County Board of Education for core curriculum textbooks out of the Pictures Fund. The Redbook disallows the purchase of operational items, including core curriculum, from student activity funds.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

BULLITT CENTRAL HIGH

SEGREGATION OF DUTIES

We noted the bookkeeper approves invoices, enters invoices in the accounting system, prints checks and matches checks to invoices. The Redbook requires that these duties be segregated.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

YEARBOOK

We noted the school's Annual account did not have expenses equaling receipts. Per conversation with Winona Ridgway, Bookkeeper, and Clay Harned, Yearbook Sponsor, Balfour collects money from students online, calculates the cost of the yearbooks and either remits any extra money to the school or sends the school an invoice for the excess amount owed. Oversight over this activity was not in place, as an invoice was not received as of 9/4/2014. After receiving an invoice dated 8/18/2014, it was calculated that the school would owe Balfour \$1,534.72 for the excess cost of 2013-2014 yearbooks. Further inquiry of the check detail was noted by Ms. Ridgway that \$9,995 was paid to Balfour on 9/10/2014 with check 11741 for the purpose of purchasing equipment, professional development, etc through Balfour. Mr. Harned noted that when those purchases were ready to be made, he would email the account contact and she would contact the proper vendors to pay these bills. These monies should be spent through the school activity funds.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

MULTIPLE RECEIPT FORMS

We noted a deposit dated 4/18/2014 in the amount of \$7,229.81 contained eight form F-SA-6, Multiple Receipt Forms, in the amounts of \$1,237, \$700, \$70, \$510, \$40, \$40, \$570 and \$260 that were not signed by the students, but by the person remitting the money.

We noted a deposit dated 6/20/2014 in the amount of \$4,013.31 contained 12 form F-SA-6, Multiple Receipt Forms, dated 6/20/2014 in the amounts of \$230, \$425, \$555, \$260, \$55, \$135, \$430, \$510, \$340, \$100, and two dated 6/7/2014 in the amounts of \$6 and \$160 that were not signed by the students, but by the person remitting the money.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

BULLITT CENTRAL HIGH – CONTINUED

TRAVEL REIMBURSEMENTS

We noted check #10756, in the amount of \$120, dated 11/11/2013 written to Martin Tallent as a travel reimbursement for gas out of the Cross County Activity Fund did not contain form F-SA-16, Travel Voucher with check documentation. We also noted this gas purchase was not approved before going on the Cross Country trip. Form F-SA-7, Purchase Order was completed on 11/8/2013 and a \$40 gas receipt was dated 11/7/2014.

We noted check #11120, in the amount of \$70, dated 3/5/2014, written to Martin Tallent, as a travel reimbursement for gas out of the Track Activity Fund did not contain form F-SA-16, Travel Voucher with check documentation.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

UNALLOWABLE PURCHASE

We noted check 11633 dated 6/19/2014 in the amount of \$277.83 written to Clarion Inn for the purchase of hotel room for AP Training from the Non-Student Generated account. The Redbook disallows expenses related to professional development or staff development.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

MISSING INVOICE

We noted check 10526 dated 9/10/2013 in the amount of \$180 written to ESPN The Magazine for the fundraiser from the Athletics account was not paid from a Vendor/Standard Invoice.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

CASH ADVANCES

We noted check #11365, dated 5/15/2014, in the amount of \$365, written to Brian Bates as a cash advance for student lunch for a field trip out of the Field Trip Activity Fund, did not contain form F-SA-9, Expense Report with the check documentation. We also noted each student was given \$5 to spend on lunch. Each student signed acknowledging they received the \$5 for lunch, however, there were no receipts for the lunches attached to the check documentation.

We noted check #2011, dated 9/30/2014, in the amount of \$40, written to Brian Bates as a cash advance for gas for a student government field trip did not contain form F-SA-9, Expense Report with the check documentation.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

BULLITT EAST HIGH

FUNDRAISERS

We noted form F-SA-2B, Fundraiser Worksheet, for FFA Bumper Sticker sales was not properly completed. Total Count of Items to be sold was not completed and Total Count of Unsold Items was not completed. There is no indication of how many bumper stickers FFA received or how many were unsold at the end of the fundraiser. Total receipts per the FFA Account Register total \$685, however F-SA-2B shows total receipts of \$330. Bumper Stickers were sold for \$5, allowing the chapter to retain \$4 and \$1 is remitted to the FFA foundation. Check #18570 dated 4/24/2014 in the amount of \$176 was written to KY FFA Foundation, showing 176 stickers sold. Total amount retained by FFA should have been \$704.

We noted form F-SA-2B, Fundraiser Worksheet, for Girls Golf Kroger Card sales was not properly completed. Total Count of Items to be sold was not completed and Total Count of Unsold Items was not completed. There is no indication of how many Kroger cards were received or how many were unsold at the end of the fundraiser. Total receipts on the Fundraiser Worksheet totaled \$1,499.85, however total receipts on the Girls Golf Account Register totaled \$1,469.85, \$30 less than the worksheet.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

CASH ADVANCES

We noted all cash advances did not contain form F-SA-9, Expense Report, with the advance or when the money was redeposited.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

UNAPPROVED PURCHASE

We noted check #17653 in the amount of \$1,920, written to The Crossings Golf Club for Green Fees and Golf Carts for the Boy's Basketball Golf Scramble was not approved before the purchase was made. Form F-SA-7, Purchase Order, was completed on 9/18/2013 after the invoice date of 9/16/2013.

We noted check #18055 in the amount of \$36,585, written to NHSCC for the Nationals Remaining Balance out of the Cheerleading Fund was not approved before the purchase was made. Form F-SA-7, Purchase Order, was completed on 1/8/2014 after the invoice date of 12/30/2013.

MISSING INVOICE

We noted check #18858 in the amount of \$2,700, written to Tom Sexton for Desks and Chairs out of the Parking Permits Fund was not invoiced at the time of purchase. The invoice was dated 5/6/2014, after the check was written on 4/11/2014.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

BULLITT LICK MIDDLE

CASH ADVANCES

We noted check 3314 dated 12/11/2013 in the amount of \$90 written to Karen Muench for \$5 meals on the KYA trip from the KYA fund did not contain any receipts for the meals actually purchased. Form F-SA-9, Expense Report, showed \$0 returned.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

EXPENDITURES

We noted check 3341 dated 2/4/2014 in the amount of \$299 written to Apple Store for the purchase of a replacement iPod for a student from the General fund did not contain a signature from the student who received the iPod.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

CEDAR GROVE ELEMENTARY

FUNDRAISERS

We noted the F-SA-2B, Fundraiser Worksheet was not on file for the T-Shirt Sale Fundraiser.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

UNALLOWABLE PURCHASE

We noted check #3267 in the amount of \$808.40, dated 7/25/2013, written to Kleentech Inc. for the Cleaning of Classroom Rugs out of the General fund. The Redbook states expenses for maintenance of school facilities out of a school fund is a disallowed expenditure.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

MISSING INVOICE

We noted check #3346 in the amount of \$120 as payment to Central Hardin High School for an Archery Competition out of the General fund contained no receipt for this competition.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

HEBRON MIDDLE

UNALLOWABLE PURCHASE

We noted check 4040 dated 7/23/2013 in the amount of \$300 written to Discovery Education from the General Fund for the purchase of a Conference for a teacher. Professional development should not be paid from school activity funds.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

MISSING DOCUMENTATION

We noted that the deposit made on 9/17/2013 in the amount of \$351.00 listed a receipt for \$19.37 to the Faculty & Staff fund but had no documentation attached.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

MARYVILLE ELEMENTARY

INVENTORY CONTROL

We noted the school held a coupon book fundraiser in the months of November and December 2013. Form F-SA-5, Inventory Control Worksheet was not completed for this fundraiser.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

MULTIPLE RECEIPT FORM

We noted a deposit dated 5/22/2014 in the amount of \$1,584.61 did not contain form F-SA-6, Multiple Receipt form for a \$36.61 Coke Commission deposit and a \$1,508.00 deposit from Lifetouch National School Studios.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

MT. WASHINGTON ELEMENTARY

UNAPPROVED VENDOR

We noted check #2310, dated 7/25/2013, in the amount of \$200, written to Terri Lewis, Principal, for change for the school's open house out of the General Fund was not written to an approved vendor. Per Redbook requirements, "The principal shall not be the vendor on a purchase order, with the only exception being for authorized travel expenses."

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

UNTIMELY DEPOSIT

We noted a deposit dated 5/15/2014 in the amount of \$561 contained a \$549 deposit from Lifetouch for Picture Commission in the picture account that was received on 5/13/2014.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

FUNDRAISERS

We noted the school is not using the updated form F-SA-2B, Fundraiser Worksheet.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

MT. WASHINGTON MIDDLE

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the MWMS Boosters did not submit a budget for 2013-2014.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

SEGREGATION OF DUTIES

We noted that the Bookkeeper enters invoices into the accounting system, prints checks, and matches invoices to checks. According to Redbook these duties need to be segregated.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

NORTH BULLITT HIGH

SEGREGATION OF DUTIES

We noted the bookkeeper enters invoices and prints checks, and matches invoices to checks and mails the checks. The Redbook requires that these duties be segregated.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

TICKET SALES

We noted that the receipts from the basketball game, totaling \$810.00, held on Saturday 02/08/2014, were not deposited until Wednesday 02/12/2014.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the proof of liability insurance for FY 2013-2014 were not submitted for the NBHS Band Booster Club.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

OLD MILL ELEMENTARY

FUNDRAISERS

We noted the school is not using the updated form F-SA-2B, Fundraiser Worksheet. The updated worksheet provides a line for the sponsor and principal to date the worksheet.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

TICKET SALES

We noted form F-SA-1, Requisition and Report of Ticket Sales, for classroom games dated 4/8/2014 in the amount of \$370 and 4/15/2014 in the amount of \$390 that were not deposited until 4/10/2014 and 4/22/2014, respectively. The Redbook requires amounts over \$100 to be deposited daily.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

OLD MILL ELEMENTARY – CONTINUED

UNTIMELY DEPOSIT

We noted a deposit dated 11/13/2013 in the amount of \$1,500 contained form F-SA-6, Multiple Receipt Form, dated 11/11/2013 (Monday) by the person remitting the money and the bookkeeper but not deposited until 11/13/2013 (Wednesday).

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

UNALLOWABLE PURCHASE

We noted check 2891 dated 1/28/2014 in the amount of \$11,647.52 written to Scott Foresman/Pearson for the purchase of textbooks from the General Fundraising account. The Redbook disallows the purchase of operational items, including core curriculum, from student activity funds.

We noted check 2870 dated 10/31/2013 in the amount of \$4,628.68 written to Scott Foresman for the purchase of RTI reading street books from the General Fundraising account. The Redbook disallows the purchase of core curriculum from student activity funds.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

PLEASANT GROVE ELEMENTARY

UNALLOWABLE PURCHASE

We noted check #2252 in the amount of \$2,038.47, dated 5/15/2014, was written to Pearson Education for 4th grade textbooks out of the General Fund. Items purchased for general education can only be purchased by the board.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

ROBY ELEMENTARY

UNALLOWABLE PURCHASE

We noted check #2391 in the amount of \$239.54, written to the Bullitt County Board of Education for core curriculum textbooks out of the General Fund was not an allowable purchase. The Redbook disallows the purchase of operational items, including core curriculum, from student activity funds.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

BULLITT COUNTY SCHOOL DISTRICT

COMMENTS - CONTINUED

June 30, 2014

SHEPHERDSVILLE ELEMENTARY

UNALLOWABLE PURCHASE

We noted check #2507 in the amount of \$125.52, dated 8/20/2013, written to Office Depot for Teacher's Supplies out of the Fundraising fund. Items purchased for staff can only be purchased out of faculty funds.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

ZONETON MIDDLE

UNALLOWABLE PURCHASE

We noted check #2748, written on 11/19/2013 in the amount of \$112.00, from the General fund for the purchase of report card paper was an unallowable expenditure. Check #2905, written on 4/30/2014 in the amount of \$670.00 for an office computer software license was an unallowable expenditure. Per Redbook, operational supplies and expenses cannot be paid for from a student fund.

We noted check #2810, written on 1/23/14 in the amount of \$75.00, from the Band fund for Kentucky Music Educators Convention professional development was an unallowable expenditure. Per Redbook, expenditures related to professional or staff development cannot be paid from a student fund.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.

CHANGE BOX

We noted the change box had not been deposited as of 6/30/2014.

MANAGEMENT RESPONSE

Management has discussed the item with school personnel and will implement corrective action by October 31, 2014.