

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

Year Ended June 30, 2012

**BULLITT COUNTY SCHOOL DISTRICT**

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education  
Bullitt County School District  
Shepherdsville, Kentucky

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bullitt County School District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements prescribed by the Kentucky State Committee for School District Audits in *Appendix I of the Independent Auditor's Contract - General Audit Requirements*, *Appendix II of the Independent Auditor's Contract - State Audit Requirements*, *Appendix III of the Independent Auditor's Contract - Audit Extension Request* and *Appendix IV of the Independent Auditor's Contract - Instructions for Submission of the Audit Report*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 2012, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 36 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Stiles, Carter & Associates*

Certified Public Accountants  
October 16, 2012

**REQUIRED SUPPLEMENTARY INFORMATION**

**BULLITT COUNTY SCHOOL DISTRICT – SHEPHERDSVILLE, KY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2012**

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, 2012. The intent of this discussion and analysis is to review the School District’s financial performance as a whole; readers should also review the financial statements and notes to the financial statements to enhance their understanding of the School District’s financial performance.

**FINANCIAL HIGHLIGHTS**

- The ending cash balance for the District was \$21.9 million. The most significant cash balances were for the General Fund \$11.5 million and the Construction Fund \$5.3 million. The General Fund had \$9.3 million in cash at June 30, 2011.
- The General Fund had \$87.9 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 \$86 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 refinanced three bond issues. The District’s total bond debt increased by \$4.3 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 assets presents information on all of the District’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

The government-wide financial statements can be found 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 - 35 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$78.1 million at June 30, 2012.

The largest portion of the District's net assets 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 Assets for the period ending June 30, 2012 and 2011  
(Table 1)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$27,136,657	\$25,102,770	\$1,600,856	\$1,551,570	\$28,737,513	\$26,654,340
Capital Assets	<u>197,997,199</u>	<u>200,815,720</u>	<u>2,075,377</u>	<u>2,303,536</u>	<u>200,072,576</u>	<u>203,119,256</u>
Total Assets	<u>225,133,856</u>	<u>225,918,490</u>	<u>3,676,233</u>	<u>3,855,106</u>	<u>228,810,089</u>	<u>229,773,596</u>
Long-term Debt	141,658,396	146,620,157	-	-	141,658,396	146,620,157
Other Liabilities	<u>9,003,502</u>	<u>9,019,682</u>	<u>166</u>	<u>44,250</u>	<u>9,003,668</u>	<u>9,063,932</u>
Total Liabilities	<u>150,661,898</u>	<u>155,639,839</u>	<u>166</u>	<u>44,250</u>	<u>150,662,064</u>	<u>155,684,089</u>
<b>Net Assets</b>						
Investment in capital assets (net of debt)	55,972,461	53,241,938	2,075,377	2,303,536	58,047,838	55,545,474
Restricted	<u>9,277,016</u>	<u>9,654,076</u>	<u>-</u>	<u>-</u>	<u>9,277,016</u>	<u>9,654,076</u>
Unrestricted	<u>9,222,481</u>	<u>7,382,637</u>	<u>1,600,690</u>	<u>1,507,320</u>	<u>10,823,171</u>	<u>8,889,957</u>
<b>Total Net Assets</b>	<u>\$74,471,958</u>	<u>\$70,278,651</u>	<u>\$3,676,067</u>	<u>\$3,810,856</u>	<u>\$78,148,025</u>	<u>\$74,089,507</u>

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

The District put into service \$5.1 million in capital assets. The District refinanced three bonds and paid off \$5.9 million in revenue bonds.

**Comments on Budget Comparisons**

- The District's total governmental revenues for the fiscal year ended June 30, 2012, net of interfund transfers were \$114.6 million.
- General fund budget compared to actual revenue varied slightly from line item to line item with the ending actual balance being \$20 million more than budget or approximately 29%. The variance is primarily explained by unbudgeted on-behalf payments made by the State of Kentucky in the amount of \$15.8 million and additional tax revenue.
- The total cost of all governmental programs and services was \$116.6 million including debt service.
- General fund budget expenditures to actual varied significantly in Instruction. This resulted from the District not budgeting on-behalf payments made by the State of Kentucky as instructed by the Department of Education and not having to spend budgeted contingency funds.

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

(Table 2)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>REVENUES:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 324,207	\$ 293,282	\$ 2,145,412	\$ 2,156,403	\$ 2,469,619	\$ 2,449,685
Operating grants and contributions	16,676,514	19,298,015	3,986,143	3,908,016	20,662,657	23,206,031
Capital grants	1,457,318	1,454,750	-	-	1,457,318	1,454,750
<b>General revenues:</b>						
Property taxes	28,797,420	27,289,933	-	-	28,797,420	27,289,933
Motor vehicle taxes	2,208,065	2,126,370	-	-	2,208,065	2,126,370
Utility taxes	4,224,074	4,305,504	-	-	4,224,074	4,305,504
Distilled spirits tax	1,417,480	1,342,010	-	-	1,417,480	1,342,010
Unmined minerals tax	4,864	5,285	-	-	4,864	5,285
Investment earnings	464,159	568,137	20,031	17,140	484,190	585,277
State and formula grants	58,716,265	54,475,410	-	-	58,716,265	54,475,410
Miscellaneous	365,856	926,430	-	-	365,856	926,430
<b>Total revenues</b>	<b>114,656,222</b>	<b>112,085,126</b>	<b>6,151,586</b>	<b>6,081,559</b>	<b>120,807,808</b>	<b>118,166,685</b>
<b>EXPENSES</b>						
<b>Program Activities</b>						
Instruction	64,733,281	65,863,108	-	-	64,733,281	65,863,108
Student support	3,278,857	3,157,482	-	-	3,278,857	3,157,482
Instructional staff support	6,112,479	7,617,569	-	-	6,112,479	7,617,569
District administrative support	1,488,393	1,005,918	-	-	1,488,393	1,005,918
School administrative support	6,740,227	3,999,306	-	-	6,740,227	3,999,306
Business support	1,351,219	1,414,622	-	-	1,351,219	1,414,622
Plant operation and maintenance	11,947,905	10,969,602	-	-	11,947,905	10,969,602
Student transportation	7,071,998	6,722,552	-	-	7,071,998	6,722,552
Community service activities	704,199	761,693	-	-	704,199	761,693
Other	57,681	12,767	-	-	57,681	12,767
Interest costs	7,241,503	7,257,359	-	-	7,241,503	7,257,359
<b>Business-type Activities:</b>						
Food service	-	-	6,021,548	5,943,551	6,021,548	5,943,551
<b>Total expenses</b>	<b>110,727,742</b>	<b>108,781,978</b>	<b>6,021,548</b>	<b>5,943,551</b>	<b>116,749,290</b>	<b>114,725,529</b>
<b>Change in net assets before transfers</b>	<b>3,928,480</b>	<b>3,303,148</b>	<b>130,038</b>	<b>138,008</b>	<b>4,058,518</b>	<b>3,441,156</b>
<b>Transfers</b>	<b>264,827</b>	<b>(715,770)</b>	<b>(264,827)</b>	<b>715,770</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>\$ 4,193,307</b>	<b>\$ 2,587,378</b>	<b>\$ (134,789)</b>	<b>\$ 853,778</b>	<b>\$ 4,058,518</b>	<b>\$ 3,441,156</b>

### Governmental Activities

Instruction comprises 58% of governmental program expenses. Support services expenses make up 34% of government expenses. The remaining expense for community services, interest and other items accounts for the remaining 8% 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)**  
**Governmental Activities**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>

Instruction	\$ 64,733,281	\$ 65,863,108	\$ 51,244,056	\$ 52,052,817
Support Services	37,991,078	34,887,051	35,181,126	29,867,940
Community services	704,199	761,693	130	129
Other	57,681	12,767	57,638	12,436
Interest costs	7,241,503	7,257,359	5,786,753	5,802,609
<b>Total Expenses</b>	<b>\$ 110,727,742</b>	<b>\$ 108,781,978</b>	<b>\$ 92,269,703</b>	<b>\$ 87,735,931</b>

### **Business-Type Activities**

The business-type activities include the food service operation. This program had total revenues of \$6,081,559 and expenses of \$6,151,586 for fiscal year 2012. Of the revenues, \$2,145,412 was charges for services, \$3,986,143 was from State and Federal grants and \$20,031 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 \$143.5 million and expenditures and other financing uses of \$142.4 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. The State Department of Education does not allow the District to budget on-behalf payments for retirement and insurance made by the State of Kentucky.

For the General Fund, revenues were budgeted at \$67,945,767 with actual amounts of \$87,934,710. Budgeted expenditures of \$76,967,679 compare with actual expenditures of \$86,007,940. The most significant fluctuation is for on-behalf payments of \$15,826,419. If on-behalf payments were not included in revenues, revenues would be \$72,108,291, which is \$4,162,524 over budget. If on-behalf payments were not included in expenditures, expenditures would be \$70,181,521, which is \$6,786,158 under budget.

## Capital Assets and Debt Administration

### Capital Assets

At the end of fiscal year 2012 the School District had \$200.1 million invested in land, buildings and equipment, and \$197.9 million in governmental activities. Table 4 shows fiscal year 2012 and 2011 balances.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	\$ 6,212,348	\$ 6,212,348	\$ -	\$ -	\$ 6,212,348	\$ 6,212,348
Buildings and improvements	176,104,956	180,212,289	-	-	176,104,956	180,212,289
Technology	3,407,084	3,908,017	26,819	34,813	3,433,903	3,942,830
Vehicles	3,053,278	2,870,948	-	-	3,053,278	2,870,948
General equipment	1,008,903	1,033,286	2,048,558	2,268,723	3,057,461	3,302,009
Total	189,786,569	194,236,888	2,075,377	2,303,536	191,861,946	196,540,424
Construction in progress	8,210,630	6,578,832	-	-	8,210,630	6,578,832
Total	<u>\$ 197,997,199</u>	<u>\$ 200,815,720</u>	<u>\$ 2,075,377</u>	<u>\$ 2,303,536</u>	<u>\$ 200,072,576</u>	<u>\$ 203,119,256</u>

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

**Change in Capital Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Beginning balance	\$ 200,815,720	\$ 193,284,739	\$ 2,303,536	\$ 1,565,607	\$ 203,119,256	\$ 194,850,346
Additions	5,098,880	13,759,889	43,762	1,013,914	5,142,642	14,773,803
Retirements	(778,867)	(40,174)	(1,280)	(2,017)	(780,147)	(42,191)
Depreciation	(7,138,534)	(6,188,734)	(270,641)	(273,968)	(7,409,175)	(6,462,702)
Ending balance	<u>\$ 197,997,199</u>	<u>\$ 200,815,720</u>	<u>\$ 2,075,377</u>	<u>\$ 2,303,536</u>	<u>\$ 200,072,576</u>	<u>\$ 203,119,256</u>

### Debt

At June 30, 2012, the School District had \$146.6 million in bonds outstanding, of this amount \$730 thousand is to be paid from the KSFCC funding provided by the State of Kentucky. A total of \$6.1 million is due within one year. The District refunded the 2002, 2003B and 2004A 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 total revenue per student (167<sup>th</sup> of 174 as of FY 11). 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, but made them more acute. The district received reduced funding of \$939,010 in flexible focus funds (Extended School Services, Professional Development, Pre-School, Safe Schools, and Textbooks) in Fiscal Year 2008 while costs for all those programs continues to increase. The district was also underfunded over \$2,000,000 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 requirement increases 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. The use of the EduJobs federal grant was used as a one-time revenue to assist districts but there will be a huge void now that these funds have been depleted.

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 construct three college career centers with one at each high schools and a major renovation at Bullitt Central High School. 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 2012 - 2013 with a 2.89% 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 ASSETS

June 30, 2012

<b>Assets</b>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b><u>Current Assets</u></b>			
Cash and cash equivalents	\$ 20,505,904	\$ 1,476,272	\$ 21,982,176
Inventory		93,991	93,991
Receivables:			
Taxes-current	459,682		459,682
Taxes-delinquent	85,375		85,375
Other receivables	39,230		39,230
Intergovernmental-State	367,548		367,548
Intergovernmental-Indirect Federal	852,020	30,593	882,613
Intergovernmental-Direct Federal	10,876		10,876
<b>Total Current Assets</b>	<b>22,320,635</b>	<b>1,600,856</b>	<b>23,921,491</b>
<b><u>Noncurrent Assets</u></b>			
Bond discount and expense	2,372,812		2,372,812
Deferred amount on refunding	2,443,210		2,443,210
Capital assets, net of accumulated depreciation	197,997,199	2,075,377	200,072,576
<b>Total Noncurrent Assets</b>	<b>202,813,221</b>	<b>2,075,377</b>	<b>204,888,598</b>
<b>Total Assets</b>	<b>225,133,856</b>	<b>3,676,233</b>	<b>228,810,089</b>
<b>Liabilities</b>			
<b><u>Current Liabilities</u></b>			
Accounts payable	455,288	166	455,454
Accrued liabilities	3,526		3,526
Deferred revenue	774,801		774,801
Current portion of bond obligations	6,085,000		6,085,000
Current portion of capital lease obligations	48,809		48,809
Current portion of accrued sick leave	95,035		95,035
Interest payable	1,541,043		1,541,043
<b>Total Current Liabilities</b>	<b>9,003,502</b>	<b>166</b>	<b>9,003,668</b>
<b><u>Noncurrent Liabilities</u></b>			
Noncurrent portion of bond obligations	140,510,000		140,510,000
Noncurrent portion of capital lease obligations	196,951		196,951
Noncurrent portion of accrued sick leave	951,445		951,445
<b>Total Noncurrent Liabilities</b>	<b>141,658,396</b>	<b>-</b>	<b>141,658,396</b>
<b>Total Liabilities</b>	<b>150,661,898</b>	<b>166</b>	<b>150,662,064</b>
<b><u>Net Assets</u></b>			
Invested in capital assets, net of related debt	55,972,461	2,075,377	58,047,838
Restricted for:			
Grants	495,339		495,339
Debt	23,910		23,910
Capital projects	8,757,767		8,757,767
Unrestricted	9,222,481	1,600,690	10,823,171
<b>Total Net Assets</b>	<b>\$ 74,471,958</b>	<b>\$ 3,676,067</b>	<b>\$ 78,148,025</b>

See accompanying notes to financial statements.

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

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental Activities:</b>							
Instruction	\$ 64,733,281	\$ 227,580	\$ 13,259,077	\$ -	\$ (51,246,624)	\$ -	\$ (51,246,624)
Support services:							
Student	3,278,857		119,347		(3,159,510)		(3,159,510)
Instruction staff	6,112,479		1,594,928		(4,517,551)		(4,517,551)
District administrative	1,488,393				(1,488,393)		(1,488,393)
School administrative	6,740,227		422,785		(6,317,442)		(6,317,442)
Business	1,351,219		352		(1,350,867)		(1,350,867)
Plant operation and maintenance	11,947,905		41,979		(11,905,926)		(11,905,926)
Student transportation	7,071,998	96,627	533,934		(6,441,437)		(6,441,437)
Community service activities	704,199		704,069		(130)		(130)
Other	57,681		43		(57,638)		(57,638)
Interest on long-term debt	7,241,503			1,457,318	(5,784,185)		(5,784,185)
<b>Total Governmental Activities</b>	<b>110,727,742</b>	<b>324,207</b>	<b>16,676,514</b>	<b>1,457,318</b>	<b>(92,269,703)</b>	<b>-</b>	<b>(92,269,703)</b>
<b>Business-Type Activities:</b>							
Food service	6,021,548	2,145,412	3,986,143			110,007	110,007
<b>Total Business-Type Activities</b>	<b>6,021,548</b>	<b>2,145,412</b>	<b>3,986,143</b>	<b>-</b>	<b>-</b>	<b>110,007</b>	<b>110,007</b>
<b>Total Primary Government</b>	<b>\$ 116,749,290</b>	<b>\$ 2,469,619</b>	<b>\$ 20,662,657</b>	<b>\$ 1,457,318</b>	<b>(92,269,703)</b>	<b>110,007</b>	<b>(92,159,696)</b>
			<b>General Revenues:</b>				
			Taxes:				
			Property taxes		28,797,420		28,797,420
			Motor vehicle taxes		2,208,065		2,208,065
			Utility taxes		4,224,074		4,224,074
			Distilled spirits tax		1,417,480		1,417,480
			Unmined minerals tax		4,864		4,864
			Investment earnings		464,159	20,031	484,190
			State and formula grants		58,716,265		58,716,265
			Miscellaneous		365,856		365,856
			Transfers		264,827	(264,827)	-
			<b>Total general revenues</b>		<b>96,463,010</b>	<b>(244,796)</b>	<b>96,218,214</b>
			Change in net assets		4,193,307	(134,789)	4,058,518
			Net assets - beginning		70,278,651	3,810,856	74,089,507
			Net assets - ending		<b>\$ 74,471,958</b>	<b>\$ 3,676,067</b>	<b>\$ 78,148,025</b>

See accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS**

BULLITT COUNTY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2012

	General Fund	Special Revenue	FSPK Fund	Construction Fund	Debt Service Fund	Nonmajor Fund Capital Outlay Fund	Total Governmental Funds
<b>Assets:</b>							
Cash and cash equivalents	\$11,512,722	\$ -	\$3,332,925	\$ 5,341,349	\$ 23,910	\$ 337,197	\$ 20,548,103
Receivables:							
Taxes - current	459,682						459,682
Taxes - delinquent	85,375						85,375
Other receivables	17,324	21,906					39,230
Intergovernmental - State		367,548					367,548
Intergovernmental - Indirect Federal		852,020					852,020
Intergovernmental - Direct Federal		10,876					10,876
<b>Total Assets</b>	<b>\$12,075,103</b>	<b>\$ 1,252,350</b>	<b>\$3,332,925</b>	<b>\$ 5,341,349</b>	<b>\$ 23,910</b>	<b>\$ 337,197</b>	<b>\$ 22,362,834</b>
<b>Liabilities and Fund Balances:</b>							
<b>Liabilities</b>							
Cash overdraft	\$ -	\$ 42,199	\$ -	\$ -	\$ -	\$ -	\$ 42,199
Accounts payable	107,507	94,077		253,704			455,288
Accrued liabilities	3,526						3,526
Deferred revenue	154,066	620,735					774,801
<b>Total Liabilities</b>	<b>265,099</b>	<b>757,011</b>	<b>-</b>	<b>253,704</b>	<b>-</b>	<b>-</b>	<b>1,275,814</b>
<b>Fund Balances</b>							
Restricted		284,705	3,332,925	5,087,645	23,910	337,197	9,066,382
Committed	734,671						734,671
Assigned	379,584	210,634					590,218
Unassigned	10,695,749						10,695,749
<b>Total Fund Balances</b>	<b>11,810,004</b>	<b>495,339</b>	<b>3,332,925</b>	<b>5,087,645</b>	<b>23,910</b>	<b>337,197</b>	<b>21,087,020</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$12,075,103</b>	<b>\$ 1,252,350</b>	<b>\$3,332,925</b>	<b>\$ 5,341,349</b>	<b>\$ 23,910</b>	<b>\$ 337,197</b>	<b>\$ 22,362,834</b>

See accompanying notes to financial statements.

**BULLITT COUNTY SCHOOL DISTRICT**

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

June 30, 2012

Total fund balance per fund financial statements \$ 21,087,020

Amounts reported for governmental activities in the statement of net  
assets are different because:

Capital assets are not reported in this fund financial statement because  
they are not current financial resources, but they are reported in the  
statement of net assets. 197,997,199

Certain liabilities are not reported in this fund financial statement because  
because they are not due and payable, but they are presented  
in the statement of net assets:

Bonds payable	(146,595,000)
Bond discount and expense	2,372,812
Deferred amount on refunding	2,443,210
Capital lease obligations	(245,760)
Interest payable	(1,541,043)
Accrued sick leave	(1,046,480)

Net assets for governmental activities \$ 74,471,958

See accompanying notes to financial statements.

**BULLITT COUNTY SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

Year Ended June 30, 2012

	General Fund	Special Revenue	FSPK Fund	Construction Fund	Debt Service Fund	Nonmajor Fund Capital Outlay Fund	Total Governmental Funds
<b>Revenues:</b>							
From local sources:							
Taxes:							
Property	\$ 20,301,327	\$ -	\$ 8,496,093	\$ -	\$ -	\$ -	\$ 28,797,420
Motor vehicle	2,208,065						2,208,065
Utilities	4,224,074						4,224,074
Distilled spirits	1,417,480						1,417,480
Unmined minerals	4,864						4,864
Earnings on investments	322,023	196	42,832	75,736	23,372		464,159
Other local revenues	690,063	615,949		167,374			1,473,386
Intergovernmental - State	58,716,265	3,673,815	2,525,446		509,809	1,155,848	66,581,183
Intergovernmental - Indirect Federal	50,549	8,306,334					8,356,883
Intergovernmental - Direct Federal		181,197			947,509		1,128,706
<b>Total Revenues</b>	<b>87,934,710</b>	<b>12,777,491</b>	<b>11,064,371</b>	<b>243,110</b>	<b>1,480,690</b>	<b>1,155,848</b>	<b>114,656,220</b>
<b>Expenditures:</b>							
Instruction	55,371,679	9,274,925					64,646,604
Support services:							
Student	3,223,186	119,347					3,342,533
Instruction staff	4,513,256	1,594,928					6,108,184
District administrative	1,756,615						1,756,615
School administrative	6,192,125	422,785					6,614,910
Business	1,129,656	352					1,130,008
Plant operation and maintenance	7,024,919	41,979					7,066,898
Student transportation	6,738,703	533,934					7,272,637
Facilities acquisition and construction				2,431,297			2,431,297
Community service activities		704,069					704,069
Other	57,801	43					57,844
Bond issue costs					138,055		138,055
Debt service:							
Principal					5,965,000		5,965,000
Interest					6,737,038		6,737,038
<b>Total Expenditures</b>	<b>86,007,940</b>	<b>12,692,362</b>	<b>-</b>	<b>2,431,297</b>	<b>12,840,093</b>	<b>-</b>	<b>113,971,692</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>1,926,770</b>	<b>85,129</b>	<b>11,064,371</b>	<b>(2,188,187)</b>	<b>(11,359,403)</b>	<b>1,155,848</b>	<b>684,528</b>
<b>Other Financing Sources (Uses):</b>							
Proceeds from sale of refunding bonds					16,910,000		16,910,000
Bond discount/premium					(119,497)		(119,497)
Payment to refunded bond escrow agent					(16,644,145)		(16,644,145)
Transfers in	264,827	395,046			11,236,955		11,896,828
Transfers out	(718,824)		(10,094,526)			(818,651)	(11,632,001)
<b>Total Other Financing Sources (Uses)</b>	<b>(453,997)</b>	<b>395,046</b>	<b>(10,094,526)</b>	<b>-</b>	<b>11,383,313</b>	<b>(818,651)</b>	<b>411,185</b>
<b>Net Change in Fund Balances</b>	<b>1,472,773</b>	<b>480,175</b>	<b>969,845</b>	<b>(2,188,187)</b>	<b>23,910</b>	<b>337,197</b>	<b>1,095,713</b>
<b>Fund Balance, July 1, 2011</b>	<b>10,337,231</b>	<b>15,164</b>	<b>2,363,080</b>	<b>7,275,832</b>	<b>-</b>	<b>-</b>	<b>19,991,307</b>
<b>Fund Balance, June 30, 2012</b>	<b>\$ 11,810,004</b>	<b>\$ 495,339</b>	<b>\$ 3,332,925</b>	<b>\$ 5,087,645</b>	<b>\$ 23,910</b>	<b>\$ 337,197</b>	<b>\$ 21,087,020</b>

See accompanying notes to financial statements.

**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, 2012

Net change in total fund balances per fund financial statements	\$ 1,095,713
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 depreciation expense exceeds capital outlays for the year.	(2,792,367)
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 assets.	(16,652,448)
Bond and capital lease payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net assets.	22,656,093
In the statement of activities, only the gain (loss) on sale of fixed assets is reported, whereas in the governmental funds, the proceeds for the sale increased financial resources.	(26,156)
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>(87,528)</u>
Change in net assets of governmental activities	<u>\$ 4,193,307</u>

See accompanying notes to financial statements.

BULLITT COUNTY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2012

	<u>Food Service Fund</u>
<b>Assets</b>	
<b><u>Current Assets</u></b>	
Cash and cash equivalents	\$ 1,476,272
Inventory	93,991
Intergovernmental receivable - Indirect Federal	<u>30,593</u>
<b>Total Current Assets</b>	<u>1,600,856</u>
<b><u>Noncurrent Assets</u></b>	
Capital assets, net of accumulated depreciation	<u>2,075,377</u>
<b>Total Noncurrent Assets</b>	<u>2,075,377</u>
<b>Total Assets</b>	<u>3,676,233</u>
<b>Liabilities</b>	
<b><u>Current Liabilities</u></b>	
Accounts payable	<u>166</u>
<b>Total Current Liabilities</b>	<u>166</u>
<b><u>Net Assets</u></b>	
Invested in capital assets, net of related debt	2,075,377
Unrestricted	<u>1,600,690</u>
<b>Total Net Assets</b>	<u><u>\$ 3,676,067</u></u>

See accompanying notes to financial statements.

**BULLITT COUNTY SCHOOL DISTRICT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

Year Ended June 30, 2012

	Food Service Fund
<b>Operating Revenues</b>	
Lunchroom sales	\$ 2,140,582
Other	4,830
<b>Total Operating Revenues</b>	<u>2,145,412</u>
<b>Operating Expenses</b>	
Salaries and wages	3,304,252
Materials and supplies	2,328,935
Depreciation	270,641
Other operating expenses	116,440
<b>Total Operating Expenses</b>	<u>6,020,268</u>
Operating loss	<u>(3,874,856)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Federal grants	3,204,621
Donated commodities	332,229
State grants	55,516
State on-behalf payments	393,777
Interest income	20,031
Loss on disposal of fixed assets	(1,280)
<b>Total Non-Operating Revenues (Expenses) Before Contributions and Transfers</b>	<u>4,004,894</u>
Transfers out	<u>(264,827)</u>
Change in net assets	(134,789)
<b>Net Assets, July 1, 2011</b>	<u>3,810,856</u>
<b>Net Assets, June 30, 2012</b>	<u>\$ 3,676,067</u>

See accompanying notes to financial statements.

**BULLITT COUNTY SCHOOL DISTRICT**

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended June 30, 2012

	Food Service Fund
<b>Cash Flows from Operating Activities</b>	
Cash received from:	
Lunchroom sales	\$ 2,140,582
Other activities	4,830
Cash paid to/for:	
Employees	(2,910,475)
Supplies	(2,026,240)
Other activities	(116,440)
<b>Net Cash Used by Operating Activities</b>	<u>(2,907,743)</u>
<b>Cash flows from Non-Capital Financing Activities</b>	
Federal grants	3,209,320
State grants	55,516
Transfers to other funds	(264,827)
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<u>3,000,009</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchases of capital assets	(43,762)
<b>Cash Flows from Investing Activities</b>	
Receipt of interest income	20,031
<b>Net increase in cash and cash equivalents</b>	<u>68,535</u>
<b>Balances, beginning of year</b>	<u>1,407,737</u>
<b>Balances, end of year</b>	<u>\$ 1,476,272</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (3,874,856)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	270,641
Donated commodities	332,229
State on-behalf payments	393,777
Change in assets and liabilities:	
Inventory	14,550
Accounts payable	(44,084)
<b>Net cash used by operating activities</b>	<u>\$ (2,907,743)</u>
<b>Schedule of non-cash transactions</b>	
Donated commodities received from federal government	<u>\$ 332,229</u>
State on-behalf payments	<u>\$ 393,777</u>
Write-off of capital assets	<u>\$ 87,024</u>

See accompanying notes to financial statements.

**BULLITT COUNTY SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
June 30, 2012

	<u>Agency Fund</u>
<b>Assets</b>	
Cash and cash equivalents	<u>\$ 1,146,139</u>
<b>Total Assets</b>	<u><u>\$ 1,146,139</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 30,340
Due to student groups	<u>1,115,799</u>
<b>Total Liabilities</b>	<u><u>\$ 1,146,139</u></u>

See accompanying notes to financial statements.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

## **BULLITT COUNTY SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2012

#### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### 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 Board of Education (“District”). The District receives funding from Local, State and Federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies, which may influence operations and primary accountability for fiscal matters. As allowed in Section P80 of GASB’s Codification of Governmental Accounting and Financial Reporting Standards, the District has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Bullitt County Board of Education. 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 Band Boosters, Parent-Teacher Associations, etc.

The financial statements of the District include those of separately administered organizations that are controlled by or dependent on the Board. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of the following organization are included in the accompanying financial statements:

Bullitt County Board of Education Finance Corporation – On October 17, 1988, 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. The Corporation is blended into the District’s financial statements.

##### Basis of Presentation

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

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

## **BULLITT COUNTY SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED**

June 30, 2012

#### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

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

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

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the changes in fund balances. Proprietary funds are reported using the economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases and decreases in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are also reported using the economic resources measurement focus.

The District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the main operating fund of the Board. 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, 2012

#### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- (B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of the specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally-funded grant programs are identified in the Schedule of Expenditures of Federal Awards included in this report. This is a major fund.
- (C) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Fund).
1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the District's facility plan.
  2. The Facility Support Program of Kentucky (FSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan. This is a major fund.
  3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This is a major fund.
- II. The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Kentucky Law. This is a major fund.
- III. Proprietary Fund Types (Enterprise Fund)
- The Food Service Fund is used to account for school food service activities, including the National School Lunch and Breakfast Programs, which are conducted in cooperation with the U.S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contribution of commodities from the USDA. This is a major fund.
- IV. Fiduciary Fund Type (Agency Fund)
- The Agency Fund accounts for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the Uniform Program of Accounting for School Activity Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### Basis of Accounting

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

## BULLITT COUNTY SCHOOL DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

#### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

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

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

#### Property Taxes

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

**BULLITT COUNTY SCHOOL DISTRICT**

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Property Taxes – continued

The property tax rates assessed for the year ended June 30, 2010, to finance operations were \$.576 per \$100 valuation for real property, \$.576 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.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of one thousand dollars with the exception of computers, digital cameras and real property for which there is no threshold. The District does not possess any infrastructure. Improvements are capitalized; the cost of, normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not.

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

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

Interfund Balances

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

## **BULLITT COUNTY SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**

June 30, 2012

#### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

##### Budgetary Process

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

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

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

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

##### Encumbrances

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

##### Cash and Cash Equivalents

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

##### Inventories

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

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

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

##### Prepaid Assets

Payments made that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. There were no prepaid assets at June 30, 2012.

##### Receivables

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

## **BULLITT COUNTY SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**

June 30, 2012

#### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

##### Accrued Liabilities and Long-Term Obligations

All payables accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, accumulated sick leave, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

##### Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The policy is to apply restricted resources first when an expense is incurred for with both restricted and unrestricted net assets are available.

##### Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primarily charges for meals provided by the various schools and for childcare services provided.

##### Contributions of Capital

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

##### Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

## **BULLITT COUNTY SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**

June 30, 2012

#### **NOTE B – ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect reported amounts of assets, liabilities, fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **NOTE C – FUND BALANCES**

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2012, the District had \$284,705 restricted for grants in the special revenue fund, \$3,332,925 restricted for capital projects in the FSPK Fund, \$5,087,645 restricted for capital projects in the Construction Fund, \$337,197 restricted for capital projects in the Capital Outlay Fund and \$23,910 restricted for debt service in the Debt Service Fund.

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which, for the District is the Board of Education. The Board of Education must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The District had the following general fund commitments at June 30, 2012: \$734,671 for sick leave.

Assigned fund balances are those amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The Board of Education allows program supervisors to complete purchase orders which result in the encumbrance of funds. The amount assigned related to encumbrances at June 30, 2012, was \$45,579 recorded in the general fund and \$210,634 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. The District had \$334,005 assigned for future fiber optic repair and curriculum initiatives.

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

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

#### **NOTE D – CASH AND CASH EQUIVALENTS**

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to have all deposits secured by pledged securities. At June 30, 2012, \$26,358,949 of the District's bank balance of \$26,632,859 was exposed to custodial credit risk. The bank balance not covered by depository insurance was collateralized by securities held by the pledging financial institution.

**BULLITT COUNTY SCHOOL DISTRICT**

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

**NOTE E – CAPITAL ASSETS**

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

Governmental Activities	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>Non-Depreciable Assets:</b>				
Land	\$ 6,212,348	\$ -	\$ -	\$ 6,212,348
Construction in progress	6,578,832	2,384,511	(752,713)	8,210,630
<b>Depreciable Assets:</b>				
Buildings and improvements	230,797,360	752,713		231,550,073
Technology equipment	10,406,355	1,167,478	(367,046)	11,206,787
Vehicles	8,984,832	712,020	(46,900)	9,649,952
General equipment	1,510,134	82,158	(66,813)	1,525,479
Totals at historical cost	264,489,861	5,098,880	(1,233,472)	268,355,269
<b>Accumulated depreciation:</b>				
Buildings and improvements	50,585,071	4,860,046		55,445,117
Technology equipment	6,498,338	1,650,954	(349,589)	7,799,703
Vehicles	6,113,884	535,057	(52,267)	6,596,674
General equipment	476,848	92,477	(52,749)	516,576
Total accumulated depreciation	63,674,141	7,138,534	(454,605)	70,358,070
Government Activities				
Capital Assets - Net	<u>\$200,815,720</u>	<u>\$ (2,039,654)</u>	<u>\$ (778,867)</u>	<u>\$ 197,997,199</u>

Depreciation was charged to governmental functions as follows:

Instruction	\$ 1,026,339
Student support	58,072
Instructional staff	4,295
District administration	236,471
School administration	199,628
Business support	221,211
Plant	4,881,007
Transportation	511,381
Community services	130
	<u>\$ 7,138,534</u>

Business-Type Activities	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>Depreciable Assets:</b>				
Technology equipment	\$ 123,996	\$ 1,707	\$ (79,533)	\$ 46,170
General equipment	3,647,101	42,055	(7,491)	3,681,665
Totals at historical cost	3,771,097	43,762	(87,024)	3,727,835
<b>Accumulated depreciation:</b>				
Technology equipment	89,183	8,421	(78,253)	19,351
General equipment	1,378,378	262,220	(7,491)	1,633,107
Total accumulated depreciation	1,467,561	270,641	(85,744)	1,652,458
Business-type Activities				
Capital Assets - Net	<u>\$ 2,303,536</u>	<u>\$ (226,879)</u>	<u>\$ (1,280)</u>	<u>\$ 2,075,377</u>

**BULLITT COUNTY SCHOOL DISTRICT**

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

**NOTE F – LONG-TERM OBLIGATIONS**

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

<u>Issue 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%

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.

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

On December 1, 2011, the District issued \$2,420,000 in Refunding Revenue Bonds with an average interest rate of 2.11 percent to advance refund \$2,340,000 of outstanding 2002 Series revenue bonds. The refunding was an advance refunding. The net proceeds of \$2,393,128 (after \$33,450 in cost of issuance, \$11,361 in bond premium and \$4,783 in contingency which was deposited in the bond payment fund) were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust to call the bonds on May 1, 2012.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$53,128. This difference, reported in the accompanying government-wide financial statements as a deduction from bonds payable, is being charged to operations through the year 2023 using the effective-interest method.

## **BULLITT COUNTY SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**

June 30, 2012

#### **NOTE F – LONG-TERM OBLIGATIONS – CONTINUED**

The District completed the refunding to reduce its total debt service payments over the next 12 years by \$278,561 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$246,422.

On February 1, 2012, the District issued \$1,135,000 in Refunding Revenue Bonds with an average interest rate of 2.13 percent to advance refund \$1,050,000 of outstanding 2003B Series revenue bonds. The refunding was a partial advance refunding. The net proceeds of \$1,116,656 (after \$20,185 in cost of issuance, \$2,692 in bond premium and \$851 in contingency which was deposited in the bond payment fund) were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust to call the bonds on September 1, 2013. Therefore, the 2003B bonds are considered defeased but still outstanding at June 30, 2012.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$97,090. This difference, reported in the accompanying government-wide financial statements as a deduction from bonds payable, is being charged to operations through the year 2023 using the effective-interest method.

The District completed the refunding to reduce its total debt service payments over the next 12 years by \$96,073 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$80,196.

On March 1, 2012, the District issued \$13,355,000 in Refunding Revenue Bonds with an average interest rate of 2.76 percent to advance refund \$11,860,000 of outstanding 2004A Series revenue bonds. The refunding was an advance refunding. The net proceeds of \$13,134,361 (after \$84,420 in cost of issuance, \$133,550 in bond discount and \$2,669 in contingency which was deposited in the bond payment fund) were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust to call the bonds on July 1, 2014. Therefore, the 2004A bonds are considered defeased but still outstanding at June 30, 2012.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,487,909. This difference, reported in the accompanying government-wide financial statements as a deduction from bonds payable, is being charged to operations through the year 2023 using the effective-interest method.

The District completed the refunding to reduce its total debt service payments over the next 12 years by \$822,308 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$672,870.

**BULLITT COUNTY SCHOOL DISTRICT**

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

**NOTE F – LONG-TERM OBLIGATIONS – CONTINUED**

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

Year	Principal	Interest	SFCC Participation	U.S. Government Participation	District's Portion
2013	\$ 6,085,000	\$ 6,228,935	\$ 180,153	\$ 945,300	\$ 11,188,482
2014	6,190,000	6,093,658	154,273	942,448	11,186,937
2015	6,380,000	5,888,779	141,760	938,991	11,188,028
2016	6,550,000	5,672,643	110,456	934,854	11,177,333
2017	6,755,000	5,423,867	69,456	930,024	11,179,387
2018-2022	37,160,000	23,322,214	88,941	4,557,422	55,835,851
2023-2027	45,530,000	15,171,734	88,943	4,072,737	56,540,054
2028-2030	31,945,000	2,943,436	48,882	993,846	33,845,708
	<u>\$ 146,595,000</u>	<u>\$ 70,745,266</u>	<u>\$ 882,864</u>	<u>\$ 14,315,622</u>	<u>\$ 202,141,780</u>

Accumulated Unpaid Sick Leave Benefits

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

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District’s past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid accrued sick leave is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “accumulated sick leave payable” in the general fund. The noncurrent portion of the liability is not reported.

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

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Revenue bonds payable	\$ 150,900,000	\$ 16,910,000	\$ 21,215,000	\$ 146,595,000	\$ 6,085,000
Accrued sick leave	1,463,408	519,557	936,485	1,046,480	95,035
	<u>\$ 152,363,408</u>	<u>\$ 17,429,557</u>	<u>\$ 22,151,485</u>	<u>\$ 147,641,480</u>	<u>\$ 6,180,035</u>

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

**BULLITT COUNTY SCHOOL DISTRICT**

NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

**NOTE G – CAPITAL LEASE PAYABLE**

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

<u>Class of Property</u>	
Buses	
Gross amount of assets	\$ 414,732
Accumulated amortization	233,220

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

<u>Year Ending June 30,</u>	<u>Capital Lease Payable</u>
2013	\$ 57,960
2014	58,194
2015	58,356
2016	49,362
2017	49,361
Total minimum lease payments	273,233
Less: amount representing interest	<u>(27,473)</u>
Present value of net minimum lease payments	<u>\$ 245,760</u>

**NOTE H – BUILDING RENTAL**

The District has agreements to lease a portion of Cedar Grove Elementary and Brooks Elementary through July 1, 2040. The District received \$32,500 that is considered revenue during 2011 and \$159,569 of prepayments were received in 2011 of which \$5,503 was recognized as revenue in 2012 for a balance of deferred revenue at June 30, 2012 of \$154,066. A schedule of future rental payments is:

2013	\$ 32,500
2014	32,500
2015	32,500
2016	32,500
2017	32,500
Thereafter	<u>747,500</u>
	<u>\$ 910,000</u>

## **BULLITT COUNTY SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**

June 30, 2012

#### **NOTE I – RETIREMENT PLANS**

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

The State of Kentucky contributes 13.105% of the employee's gross earnings for employees with un-refunded accounts before July 1, 2008 and 14.105% of employee's gross earnings for employees on or after July 1, 2008, except for those District employees being paid from and participating in federally funded programs. During the years ended June 30, 2012, 2011 and 2010, contributions of \$6,218,729, \$6,162,734 and \$6,298,567 were made by the State of Kentucky and \$635,689, \$587,775 and \$531,006 in contributions were passed through the District's federally funded programs. Contributions by the employees are 10.355% of gross earnings for employees with un-refunded accounts before July 1, 2008 and 10.855% of employee's gross earnings for employees on or after July 1, 2008 and are withheld by the District. The contribution rate is actuarially determined. Such withholdings during the years ended June 30, 2012, 2011 and 2010 totaled \$5,379,085, \$5,204,070 and \$5,148,728 and were paid by the District to the State of Kentucky as required. The District has no other liability under the plan. The District's total payroll for all employees during the years ended June 30, 2012, 2011 and 2010 was \$66,359,840, \$65,857,345 and \$65,972,404 and \$51,564,927, \$51,108,962 and \$51,718,312 of such amounts related to employees covered by the retirement plan. All payments were made to the retirement system in the amount of the annually required contributions.

Additional information and historical trend information can be obtained from the separately issued Teacher Retirement System of Kentucky Comprehensive Annual Financial Report by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601.

Substantially all other employees (classified personnel) are covered under the County Employee's Retirement System (CERS). Funding for the Plan is provided through payroll withholdings of 5% for those employee participating in CERS before September 1, 2008 and 6% for those employee participating in CERS on or after September 1, 2008 and a District contribution for the years ended June 30, 2012, 2011 and 2010 of 18.96%, 16.93% and 16.16% of the employee's total compensation subject to contribution. The contribution rate is actuarially determined. The District's contribution requirement for CERS for the years ended June 30, 2012, 2011 and 2010 was \$3,551,359, \$3,189,162 and \$2,979,452 which consisted of \$2,788,549, \$2,464,097 and \$2,274,820 from the District and \$762,810, \$725,065 and \$704,632 from the employees. The total covered payroll for CERS during the years ended June 30, 2012, 2011 and 2010 was \$14,694,320, \$14,513,881 and \$14,088,085. Benefits under both plans will vary based on final compensation, years of service and other factors as fully described in the Plan documents. All payments were made to the retirement system in the amount of the annually required contributions.

The County Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601.

## **BULLITT COUNTY SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED**

June 30, 2012

#### **NOTE I – RETIREMENT PLANS – CONTINUED**

##### **Deferred Compensation**

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

#### **NOTE J – COMMITMENTS AND CONTINGENCIES**

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

#### **NOTE K – LITIGATION**

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

#### **NOTE L – INSURANCE AND RELATED ACTIVITIES**

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. The District has purchased certain policies, which are retrospectively rated which includes Workers' Compensation insurance.

#### **NOTE M – RISK MANAGEMENT**

The District is exposed to various risks of loss related to injuries to employees. To obtain insurance of workers' compensation, errors and omissions, and general liability coverage, the District purchases commercial insurance.

The District purchases unemployment insurance through the Kentucky School Boards Insurance Trust Unemployment Compensation Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**BULLITT COUNTY SCHOOL DISTRICT**

NOTES TO BASIC FINANCIAL STATEMENTS – CONCLUDED

June 30, 2012

**NOTE N – 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 assets.

Construction Fund	\$2,188,187
Food Service Fund	134,789

**NOTE O – COBRA**

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

**NOTE P – TRANSFER OF FUNDS**

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

**Fund Financial Statements**

From Fund	To Fund	Purpose	Amount
General	Special Revenue	Technology Match	\$ 395,046
General	Debt Service	Debt Service	323,778
FSPK	Debt Service	Debt Service	10,094,526
Nonmajor Governmental	Debt Service	Debt Service	818,651
Food Service	General	Indirect Costs	264,827

**Government-wide Financial Statements**

Food Service	Governmental Activities	Indirect Costs	\$ 264,827
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**NOTE Q – ON-BEHALF PAYMENTS**

The District receives on-behalf payments from the State of Kentucky for items including retirement and insurance. The amount received for the fiscal year ended June 30, 2012, was \$16,220,196. This was allocated as follows:

General Fund \$ 15,826,419	Food Service Fund \$393,777
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**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, 2012

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
<b>Revenues</b>			
From local sources:			
Taxes:			
Property	\$ 17,625,000	\$ 17,625,000	\$ 20,301,327
Motor vehicle	2,100,000	2,100,000	2,208,065
Utilities	4,200,000	4,200,000	4,224,074
Distilled spirits	1,300,000	1,300,000	1,417,480
Unmined minerals			4,864
Earnings on investments	235,000	235,000	322,023
Other local revenues	425,541	425,541	690,063
Intergovernmental - State	42,019,263	42,019,263	58,716,265
Intergovernmental - Indirect Federal	40,963	40,963	50,549
<b>Total Revenues</b>	<u>67,945,767</u>	<u>67,945,767</u>	<u>87,934,710</u>
<b>Expenditures</b>			
Instruction	45,665,298	45,376,205	55,371,679
Support services:			
Student	2,670,482	2,484,456	3,223,186
Instruction staff	4,092,946	4,063,770	4,513,256
District administrative	2,130,986	2,033,784	1,756,615
School administrative	5,226,300	5,101,520	6,192,125
Business	1,652,385	1,611,574	1,129,656
Plant operation and maintenance	7,778,260	7,765,937	7,024,919
Student transportation	5,705,064	5,999,776	6,738,703
Other	2,530,657	2,530,657	57,801
<b>Total Expenditures</b>	<u>77,452,378</u>	<u>76,967,679</u>	<u>86,007,940</u>
<b>Excess (Deficit) of Revenues over Expenditures</b>	(9,506,611)	(9,021,912)	1,926,770
<b>Other Financing Sources (Uses)</b>			
Transfers in	175,000	175,000	264,827
Transfers out	(168,389)	(110,344)	(718,824)
<b>Total Other Financing Sources (Uses)</b>	<u>6,611</u>	<u>64,656</u>	<u>(453,997)</u>
<b>Net Change in Fund Balances</b>	(9,500,000)	(8,957,256)	1,472,773
<b>Fund Balance, July 1, 2011</b>	<u>9,500,000</u>	<u>8,957,256</u>	<u>10,337,231</u>
<b>Fund Balance, June 30, 2012</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,810,004</u>

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

Both inflows and outflows are equally different in the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds by the amount of on-behalf payments of \$15,826,419.

**BULLITT COUNTY SCHOOL DISTRICT**

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

**SPECIAL REVENUE FUND**

Year Ended June 30, 2012

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
<b>Revenues</b>			
Earnings on investments	\$ -	\$ -	\$ 196
Other local revenues	210,000	333,180	615,949
Intergovernmental - State	3,336,567	2,993,843	3,673,815
Intergovernmental - Indirect Federal	4,971,685	5,636,956	8,306,334
Intergovernmental - Direct Federal	152,487	158,067	181,197
<b>Total Revenues</b>	<u>8,670,739</u>	<u>9,122,046</u>	<u>12,777,491</u>
<b>Expenditures</b>			
Instruction	5,159,965	6,587,042	9,274,925
Support services:			
Student	21,704	89,855	119,347
Instruction staff	2,556,409	1,149,980	1,594,928
School administrative	367,775	292,775	422,785
Business			352
Plant operation and maintenance		11,650	41,979
Student transportation		398,192	533,934
Community service activities	733,275	702,896	704,069
Other			43
<b>Total Expenditures</b>	<u>8,839,128</u>	<u>9,232,390</u>	<u>12,692,362</u>
<b>Excess (Deficit) of Revenues over Expenditures</b>	(168,389)	(110,344)	85,129
<b>Other Financing Sources (Uses)</b>			
Transfers in	168,389	110,344	395,046
<b>Total Other Financing Sources (Uses)</b>	<u>168,389</u>	<u>110,344</u>	<u>395,046</u>
<b>Net Change in Fund Balances</b>	-	-	480,175
<b>Fund Balance, July 1, 2011</b>			<u>15,164</u>
<b>Fund Balance, June 30, 2012</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,339</u>

**SUPPLEMENTARY INFORMATION**

**BULLITT COUNTY SCHOOL DISTRICT**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

June 30, 2012

	Bernheim Middle School	Brooks Elementary	Bullitt Central High School	Bullitt Co. Day Treatment	Bullitt East High School	Bullitt Lick Middle School	Cedar Grove Elementary
<b>Assets</b>							
Cash and cash equivalents	\$ 37,391	\$ 23,041	\$ 135,705	\$ 13,230	\$ 228,773	\$ 7,906	\$ 111,654
Accounts receivable	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 37,391</b>	<b>\$ 23,041</b>	<b>\$ 135,705</b>	<b>\$ 13,230</b>	<b>\$ 228,773</b>	<b>\$ 7,906</b>	<b>\$ 111,654</b>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ 3,853	\$ -	\$ 15,462	\$ -	\$ -
Due to student groups	37,391	23,041	131,852	13,230	213,311	7,906	111,654
<b>Total Liabilities</b>	<b>\$ 37,391</b>	<b>\$ 23,041</b>	<b>\$ 135,705</b>	<b>\$ 13,230</b>	<b>\$ 228,773</b>	<b>\$ 7,906</b>	<b>\$ 111,654</b>
	Crossroads Elementary	Eastside Middle School	Freedom Elementary	Hebron Middle School	Lebanon Junction Elementary	Maryville Elementary	Mt. Washington Elementary
<b>Assets</b>							
Cash and cash equivalents	\$ 13,787	\$ 20,695	\$ 69,079	\$ 19,240	\$ 28,607	\$ 6,814	\$ 27,386
Accounts receivable	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 13,787</b>	<b>\$ 20,695</b>	<b>\$ 69,079</b>	<b>\$ 19,240</b>	<b>\$ 28,607</b>	<b>\$ 6,814</b>	<b>\$ 27,386</b>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 817
Due to student groups	13,787	20,695	69,079	19,240	28,607	6,814	26,569
<b>Total Liabilities</b>	<b>\$ 13,787</b>	<b>\$ 20,695</b>	<b>\$ 69,079</b>	<b>\$ 19,240</b>	<b>\$ 28,607</b>	<b>\$ 6,814</b>	<b>\$ 27,386</b>
	Mt. Washington Middle School	Nichols Elementary	North Bullitt High School	Old Mill Elementary	Overdale Elementary	Pleasant Grove Elementary	Shepherdsville Elementary
<b>Assets</b>							
Cash and cash equivalents	\$ 46,757	\$ 12,621	\$ 94,097	\$ 32,620	\$ 35,767	\$ 15,273	\$ 86,052
Accounts receivable	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 46,757</b>	<b>\$ 12,621</b>	<b>\$ 94,097</b>	<b>\$ 32,620</b>	<b>\$ 35,767</b>	<b>\$ 15,273</b>	<b>\$ 86,052</b>
<b>Liabilities</b>							
Accounts payable	\$ 205	\$ 975	\$ 9,028	\$ -	\$ -	\$ -	\$ -
Due to student groups	46,552	11,646	85,069	32,620	35,767	15,273	86,052
<b>Total Liabilities</b>	<b>\$ 46,757</b>	<b>\$ 12,621</b>	<b>\$ 94,097</b>	<b>\$ 32,620</b>	<b>\$ 35,767</b>	<b>\$ 15,273</b>	<b>\$ 86,052</b>
	Riverview High School	Roby Elementary	Zoneton Middle School	Agency Fund			
<b>Assets</b>							
Cash and cash equivalents	\$ 20,559	\$ 16,136	\$ 42,949	\$ 1,146,139			
Accounts receivable	-	-	-	-			
<b>Total Assets</b>	<b>\$ 20,559</b>	<b>\$ 16,136</b>	<b>\$ 42,949</b>	<b>1,146,139</b>			
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 30,340			
Due to student groups	20,559	16,136	42,949	1,115,799			
<b>Total Liabilities</b>	<b>\$ 20,559</b>	<b>\$ 16,136</b>	<b>\$ 42,949</b>	<b>\$ 1,146,139</b>			

**BULLITT COUNTY SCHOOL DISTRICT**

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH BALANCES July 1, 2011	RECEIPTS	DISBURSE- MENTS	CASH BALANCES June 30, 2012	RECEIVABLES June 30, 2012	ACCOUNTS PAYABLE June 30, 2012	DUE TO STUDENT GROUPS June 30, 2012
Bernheim Middle	\$ 43,872	\$ 111,563	\$ 118,044	\$ 37,391	-	-	\$ 37,391
Brooks Elementary	24,940	54,026	55,925	23,041	-	-	23,041
Bullitt Central High	124,276	247,149	235,720	135,705	-	3,853	131,852
Bullitt Co. Day Treatment	13,173	240	183	13,230	-	-	13,230
Bullitt East High	231,237	861,732	864,196	228,773	-	15,462	213,311
Bullitt Lick Middle	16,654	65,382	74,130	7,906	-	-	7,906
Cedar Grove Elementary	120,654	47,212	56,212	111,654	-	-	111,654
Crossroads Elementary	5,850	35,773	27,836	13,787	-	-	13,787
Eastside Middle	38,088	54,358	71,751	20,695	-	-	20,695
Freedom Elementary	67,846	30,538	29,305	69,079	-	-	69,079
Hebron Middle	26,237	74,589	81,586	19,240	-	-	19,240
Lebanon Junction Elementary	26,310	70,617	68,320	28,607	-	-	28,607
Maryville Elementary	4,295	37,856	35,337	6,814	-	-	6,814
Mt. Washington Elementary	25,545	44,436	42,595	27,386	-	817	26,569
Mt. Washington Middle	54,393	83,212	90,848	46,757	-	205	46,552
Nichols Elementary	17,722	22,732	27,833	12,621	-	975	11,646
North Bullitt High	100,224	388,892	395,019	94,097	-	9,028	85,069
Old Mill Elementary	26,446	56,814	50,640	32,620	-	-	32,620
Overdale Elementary	36,848	40,589	41,670	35,767	-	-	35,767
Pleasant Grove Elementary	13,741	40,494	38,962	15,273	-	-	15,273
Shepherdsville Elementary	78,173	91,492	83,613	86,052	-	-	86,052
Riverview High	21,716	2,507	3,664	20,559	-	-	20,559
Roby Elementary	23,866	36,615	44,345	16,136	-	-	16,136
Zoneton Middle	46,868	62,791	66,710	42,949	-	-	42,949
	<u>\$ 1,188,974</u>	<u>\$ 2,561,609</u>	<u>\$ 2,604,444</u>	<u>\$ 1,146,139</u>	<u>\$ -</u>	<u>\$ 30,340</u>	<u>\$ 1,115,799</u>

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT CENTRAL HIGH SCHOOL

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH		DISBURSE- MENTS	CASH		RECEIVABLES June 30, 2012	ACCOUNTS PAYABLE June 30, 2012	DUE TO STUDENT GROUPS June 30, 2012
	BALANCES July 1, 2011	RECEIPTS		BALANCES June 30, 2012				
Animal Science	\$ 228	\$ 185	\$ 367	\$ 46	\$ -	\$ -	\$ 46	
Annual	3,801	15,034	7,174	11,661	-	-	11,661	
Archery Club	-	45	45	-	-	-	-	
Art Club	1	60	-	61	-	-	61	
Art Class Fees	238	-	1	237	-	-	237	
Art Class Fees	316	1,027	-	1,343	-	-	1,343	
Athletes-Cokes	309	16,125	8,388	8,046	-	-	8,046	
Athletics	24,688	21,779	34,417	12,050	-	-	12,050	
B.C. Music	1,352	2,014	907	2,459	-	-	2,459	
Band	3,193	1,871	2,332	2,732	-	-	2,732	
Baseball	-	6,345	6,333	12	-	-	12	
Basketball- Boys	-	12,256	12,256	-	-	-	-	
Beta Club	116	-	51	65	-	-	65	
Bowling	-	1,770	1,741	29	-	-	29	
Boys Soccer	-	600	600	-	-	-	-	
Business	414	4,115	4,079	450	-	-	450	
Chemistry Club	55	555	504	106	-	-	106	
Chemistry Student Lab Fees	729	1,815	312	2,232	-	-	2,232	
Chicago Senior Class Trip	-	14,709	14,527	182	-	-	182	
Choir	2,083	795	1,256	1,622	-	-	1,622	
Cooking	411	-	-	411	-	-	411	
Coulter	816	264	481	599	-	-	599	
District Tournament Host Sch	-	-	-	-	-	-	-	
Drama Club	2,499	5,371	3,394	4,476	-	-	4,476	
Engineering & Tech	1	-	-	1	-	-	1	
Environment	24	-	-	24	-	-	24	
FACS - Food/Nutrition	23	1,524	1,250	297	-	-	297	
FBLA	2,131	10,878	12,358	651	-	-	651	
FCCLA	266	1,187	1,119	334	-	-	334	
FFA	-	8,338	7,662	676	-	-	676	
Fellowship of Christian Athletes	472	240	557	155	-	-	155	
Student Field Trip	6,119	4,338	5,880	4,577	-	-	4,577	
Nook Non Refundable Deposit	-	570	41	529	-	-	-	
Floral Design	370	776	778	368	-	-	368	
Football	-	29,406	29,406	-	-	-	-	
Freshman Top 99 Students	32	1,640	1,568	104	-	-	104	
Girls Basketball	112	9,887	9,577	422	-	-	422	
General	260	3,838	1,739	2,359	-	-	2,359	
Girls Soccer	-	2,511	2,511	-	-	-	-	
Green House	1,604	709	1,543	770	-	-	770	
Guidance Office	1,575	13,571	12,913	2,233	-	-	2,233	
Homecoming Activities	1,328	340	966	702	-	-	702	
Integrated Chemistry	583	71	12	642	-	-	642	
Insurance	24	8	8	24	-	-	24	
Journalism	90	40	-	130	-	-	130	
Jr Beta Club	522	-	-	522	-	-	522	
Junior Class	1,358	15,950	15,669	1,639	-	-	1,639	
Lab Fees	894	1,074	765	1,203	-	-	1,203	
Library	2,386	1,902	651	3,637	-	-	3,637	
Mechanics	20	-	-	20	-	-	20	
Morning Report	54	-	-	54	-	-	54	
National Honor Society	342	687	488	541	-	-	541	
Nonstudent Generated	11,770	67	3,647	8,190	-	-	8,190	
Outdoor	60	-	-	60	-	-	60	
Parking Lot	949	5,453	1,864	4,538	-	3,853	685	
PEP Club	1,226	-	-	1,226	-	-	1,226	
Practical Living Class	1,373	418	928	863	-	-	863	
Pride Academy	62	1,940	1,850	152	-	-	152	
Money for Seniors	-	-	-	-	-	-	-	
Pride Academy	2,017	1,283	2,563	737	-	-	737	
Relay for Life	-	-	-	-	-	-	-	
ROTC	13,403	4,121	3,022	14,502	-	-	14,502	
ROTC Scabbard	9,191	4,463	2,787	10,867	-	-	10,867	
SADD	1,054	3,135	564	3,625	-	-	3,625	

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT CENTRAL HIGH SCHOOL- CONCLUDED

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH		DISBURSE- MENTS	CASH		RECEIVABLES June 30, 2012	ACCOUNTS PAYABLE June 30, 2012	DUE TO STUDENT GROUPS June 30, 2012
	BALANCES July 1, 2011	RECEIPTS		BALANCES June 30, 2012				
School Pictures	4,303	1,152	-	5,455	-	-	-	5,455
Science Club	3,977	2,090	3,014	3,053	-	-	-	3,053
Senior English	608	-	-	608	-	-	-	608
Senior Portrait	2,540	10,999	8,301	5,238	-	-	-	5,238
Softball	-	3,470	3,470	-	-	-	-	-
Special Ed	335	219	381	173	-	-	-	173
Speech	347	-	-	347	-	-	-	347
Sophomore Account	1,000	-	-	1,000	-	-	-	1,000
Student Government	1,452	129	963	618	-	-	-	618
Teachers	1,683	1,016	497	2,202	-	-	-	2,202
Technology	2,406	20	2,406	20	-	-	-	20
Textbooks Lost	2,681	981	2,864	798	-	-	-	798
Track	-	7,654	7,654	-	-	-	-	-
Volleyball	-	5,157	5,157	-	-	-	-	-
Wrestling	-	180	180	-	-	-	-	-
Sub Total	\$ 124,276	\$ 270,167	\$ 258,738	\$ 135,705	\$ -	\$ 3,853	\$ -	\$ 131,323
Interfund Transfers	-	23,018	23,018	-	-	-	-	-
Total	\$ 124,276	\$ 247,149	\$ 235,720	\$ 135,705	\$ -	\$ 3,853	\$ -	\$ 131,323

**BULLITT COUNTY SCHOOL DISTRICT**

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT EAST HIGH SCHOOL

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH		DISBURSEMENTS	CASH		RECEIVABLES	ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES	RECEIPTS		BALANCES	June 30, 2012			
	July 1, 2011			June 30, 2012	June 30, 2012	June 30, 2012	June 30, 2012	June 30, 2012
Academic Team	\$ 126	\$ 1,460	\$ 1,279	\$ 307	\$ -	\$ -	\$ 307	
Ambassador Club	286	337	623	-	-	-	-	
Annual	6,032	20,894	22,361	4,565	-	-	4,565	
Archery	3,019	15,954	13,345	5,628	-	-	5,628	
Art Club	225	895	1,010	110	-	-	110	
Art Class	39	1,648	1,687	-	-	-	-	
Art/Humanities	56	1,297	1,292	61	-	-	61	
Athletics	6,681	21,995	23,365	5,311	-	40	5,271	
Attendance	531	1,597	100	2,028	-	-	2,028	
Business & Office	57	3,699	3,257	499	-	-	499	
Band	-	6,172	6,170	2	-	-	2	
Baseball	9,887	90,389	83,126	17,150	-	3,437	13,713	
Basketball- Boys	25,096	82,020	89,585	17,531	-	650	16,881	
Basketball- Girls	10,886	50,316	44,848	16,354	-	486	15,868	
Beta Club	3,292	5,720	6,587	2,425	-	-	2,425	
Beta Scholarships	188	2,791	2,300	679	-	-	679	
Biology	449	3,729	3,782	396	-	-	396	
Bookstore	3,090	5,121	3,778	4,433	-	-	4,433	
Bowling	118	732	498	352	-	-	352	
Charger Camp	13,444	6,970	10,121	10,293	-	-	10,293	
Cheerleaders	19,587	87,576	88,191	18,972	-	1,064	17,908	
Chemistry	146	2,529	2,618	57	-	-	57	
Chorus	549	7,514	6,245	1,818	-	-	1,818	
Coke	862	2,911	2,377	1,396	-	-	1,396	
Concessions	1,062	10,628	10,134	1,556	-	-	1,556	
Credit Recovery Program	339	500	619	220	-	-	220	
Cross Country	3,835	14,639	16,721	1,753	-	-	1,753	
Dance	494	1,780	2,274	-	-	-	-	
Drama Club	5,081	2,641	4,683	3,039	-	-	3,039	
E-School	25	-	25	-	-	-	-	
East Regional Music Festival	5,576	-	1,716	3,860	-	-	3,860	
Engineering Club	1	409	141	269	-	-	269	
English	4,709	7,808	12,093	424	-	-	424	
Environmental Club	557	-	-	557	-	-	557	
Field Trips	2,740	21,719	22,339	2,120	-	-	2,120	
Faculty Lounge	2,784	215	607	2,392	-	-	2,392	
Family Consumer Science	7	-	-	7	-	-	7	
FBLA	1,254	30,276	28,226	3,304	-	-	3,304	
FCA	574	1,900	1,836	638	-	-	638	
FCCLA	56	-	56	-	-	-	-	
FFA	400	-	-	400	-	-	400	
Flex School	-	460	-	460	-	-	-	
Football	15,688	89,178	73,502	31,364	-	-	31,364	
Football Camp	214	-	-	214	-	-	214	
Freshman	-	1,146	620	526	-	-	-	
General	889	3,547	2,349	2,087	-	86	2,001	
Golf- Boys	4,159	22,164	25,403	920	-	-	920	
Golf- Girls	6,241	12,699	14,091	4,849	-	-	4,849	
Guidance	4,625	19,611	17,851	6,385	-	-	6,385	
Insurance	-	283	283	-	-	-	-	
Journalism	-	1,265	942	323	-	-	323	
Junior Class	159	21,866	20,363	1,662	-	-	1,662	
KVHS	-	4,150	4,125	25	-	-	25	
Leadership	1,076	2,913	1,657	2,332	-	-	2,332	
Library	1,035	1,283	2,276	42	-	-	42	
Marquee	1,020	-	1,020	-	-	-	-	
Math	454	1,788	2,082	160	-	-	160	
Media	81	517	598	-	-	-	-	
Mock Trail	591	970	1,561	-	-	-	-	
New York Trip	-	-	-	-	-	-	-	
National Honor Society	9,440	7,757	6,928	10,269	-	-	10,269	
Office	2,081	679	2,145	615	-	-	615	
Parking Permits	2,923	7,836	7,508	3,251	-	-	3,251	
Physics	9	250	254	5	-	-	5	
Pictures	2,283	6,244	5,565	2,962	-	1,050	1,912	
Rachel Challenge	-	50	-	50	-	-	50	

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT EAST HIGH SCHOOL- CONCLUDED

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH		DISBURSEMENTS	CASH		RECEIVABLES	ACCOUNTS PAYABLE	DUE TO STUDENT GROUPS
	BALANCES	RECEIPTS		BALANCES	June 30, 2012			
	July 1, 2011			June 30, 2012	June 30, 2012	June 30, 2012	June 30, 2012	June 30, 2012
Relay for Life	3,187	53	3,000	240	-	-	-	240
Risk Club	155	351	382	124	-	-	-	124
Robotics	-	1,170	1,099	71	-	-	-	-
ROTC	-	4,664	4,049	615	-	-	-	-
RZR Club	660	30	-	690	-	-	-	690
Science	451	1,510	1,765	196	-	-	-	196
Soccer- Boys	13,037	5,798	14,347	4,488	-	-	-	4,488
Soccer- Girls	808	14,621	11,467	3,962	-	-	-	3,962
Soccer- Camp	529	1,777	1,312	994	-	-	-	994
Softball	8,925	29,535	30,917	7,543	-	8,628	-	(1,085)
Spanish Club	317	2,033	1,716	634	-	-	-	634
Speech Club	435	1,069	1,103	401	-	-	-	401
Sports Facilitation	-	-	-	-	-	-	-	-
Senior Class	2,542	67,412	69,697	257	-	21	-	236
Step Club	321	-	321	-	-	-	-	-
Swim Team	1,177	4,358	5,453	82	-	-	-	82
Textbook Fines	187	131	30	288	-	-	-	288
Technology	-	-	-	-	-	-	-	-
Tennis- Boys	-	951	668	283	-	-	-	283
Tennis- Girls	1,122	6,458	6,680	900	-	-	-	900
Track	4,125	2,883	6,629	379	-	-	-	379
Volleyball	3,669	10,543	12,349	1,863	-	-	-	1,863
Wrestling	2,424	11,619	8,701	5,342	-	-	-	5,342
Zoology	58	782	826	14	-	-	-	14
	<u>231,237</u>	<u>891,185</u>	<u>893,649</u>	<u>228,773</u>	<u>-</u>	<u>15,462</u>	<u>-</u>	<u>211,639</u>
Interfund Transfers		<u>29,453</u>	<u>29,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>231,237</u>	<u>861,732</u>	<u>864,196</u>	<u>228,773</u>	<u>-</u>	<u>15,462</u>	<u>-</u>	<u>211,639</u>

**BULLITT COUNTY SCHOOL DISTRICT**

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

NORTH BULLITT HIGH SCHOOL

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH	DISBURSE-	CASH	RECEIVABLES	ACCOUNTS	DUE TO
	BALANCES		MENTS		BALANCES	PAYABLE
	July 1, 2011	RECEIPTS	June 30, 2012	June 30, 2012	June 30, 2012	GROUPS
						June 30, 2012
Academic Team	\$ 2,780	\$ 1,047	\$ 1,375	\$ 2,452	-	2,452
Aha Club	60.00	-	60	-	-	-
All County Music	3,609	-	3,609	-	-	-
Annual	10,469	8,535	7,025	11,979	-	11,979
Art Department	2,401	1,636	636	3,401	-	3,401
Athletic Building Fund	-	-	-	-	-	-
Athletic Program	583	16,682	17,075	190	-	190
Attendance	74	-	74	-	-	-
Band	580	5,330	766	5,144	-	5,144
Banking	100	-	100	-	-	-
Baseball	534	30,420	28,636	2,318	2,595	(277)
Basketball- Boys	6,365	22,985	25,906	3,444	625	2,819
Basketball- Girls	5,396	20,340	22,782	2,954	-	2,954
Beta Club	1,835	688	356	2,167	-	2,167
Bowling	1,468	2,765	3,559	674	-	674
Boy's Soccer	106	5,606	5,631	81	-	81
Boys/Girls Track	-	-	-	-	-	-
Business Department	1,052	1,016	2,027	41	-	41
Cheerleaders	5,151	11,808	12,451	4,508	-	4,508
Choir	-	245	245	-	-	-
Cooking Camp	1,015	50	1,065	-	-	-
Counselors	52	4,403	829	3,626	-	3,626
Culture Club	5,231	4,777	8,851	1,157	-	1,157
Dance Team	86	2,242	1,822	506	-	506
Drama	1,510	2,153	3,056	607	-	607
E-School	-	-	-	-	-	-
Europe Trip	27	-	27	-	-	-
FBLA	85	2,483	2,311	257	-	257
FCA	298	-	298	-	-	-
FCCLA	-	299	279	20	-	20
FEA	1,224	78	370	932	-	932
Flex School	-	60	-	60	-	-
FMD	-	10	-	10	-	10
Family Consumer Science	965	3,077	3,746	296	-	296
Football	2,675	59,791	60,334	2,132	-	2,132
Forensics	30	-	30	-	-	-
Freshman Activities	1,289	1,427	1,432	1,284	-	1,284
Girl's Soccer	105	15,670	15,362	413	-	413
Girls/Boy's Cross Country	-	100	100	-	-	-
Golf - Boys	814	525	867	472	-	472
Golf - Girls	331	1,446	1,224	553	-	553
Journalism Club	831	49	50	830	-	830
JROTC	14,158	30,137	35,196	9,099	-	9,099
Junior Class	5,592	13,300	17,091	1,801	-	1,801
Language Arts	20	-	-	20	-	20
Library	279	510	395	394	-	394
Life Skills	30	2,673	2,703	-	-	-
Lockers-Student	3,226	5,736	815	8,147	-	8,147
Lunch Account	77	-	-	77	-	77
Math	165	1,776	284	1,657	-	1,657
NBHS Family	-	552	61	491	-	491
National Honor Society	9	450	459	-	-	-
Operational	149	6,751	4,860	2,040	-	2,040
Parking - Student	4,907	5,885	7,801	2,991	-	2,991
Pep Club	-	1,036	647	389	-	-
Project Graduation	-	2,004	1,616	388	250	138
Random Act of Kindness	87	-	87	-	-	-
Recycling	253	-	253	-	-	-
School Pictures	-	-	-	-	-	-
Science Club	3,495	2,414	2,554	3,355	-	3,355
Senior Class	3,930	64,084	68,014	-	-	-
Softball	644	12,464	8,918	4,190	4,783	(593)
Spanish Club	63	638	407	294	-	294
Special Ed	298	-	-	298	-	298
Student Coke/Snack	806	476	703	579	-	579
Student Council	187	-	-	187	-	187

BULLITT COUNTY SCHOOL DISTRICT

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

NORTH BULLITT HIGH SCHOOL- CONCLUDED

YEAR ENDED JUNE 30, 2012

NAME OF ACTIVITY	CASH BALANCES July 1, 2011	RECEIPTS	DISBURSE- MENTS	CASH BALANCES June 30, 2012	RECEIVABLES June 30, 2012	ACCOUNTS PAYABLE June 30, 2012	DUE TO STUDENT GROUPS June 30, 2012
Swim Team	4	-	2	2	-	-	2
Teacher Fund	1,231	1,888	2,380	739	-	-	739
Technology	108	-	-	108	-	-	108
Tennis - Girl's	-	575	575	-	-	-	-
Tennis - Boy's	-	628	628	-	-	-	-
Textbooks Lost and Fines	524	-	-	524	-	-	524
Track	9	5,895	3,782	2,122	-	775	1,347
Volleyball	654	15,035	14,654	1,035	-	-	1,035
Weightlifting	60	-	60	-	-	-	-
Winter Sports Club	-	476	476	-	-	-	-
Wrestling	-	9,516	8,954	562	-	-	562
Wicked Crafts (Bullitt Bands)	28	142	170	-	-	-	-
Youth Services	100	175	175	100	-	-	100
Subtotal	\$ 100,224	\$ 412,959	\$ 419,086	\$ 94,097	-	9,028	84,620
Interfund Transfers		24,067	24,067	-	-	-	-
TOTAL	\$ 100,224	\$ 388,892	\$ 395,019	\$ 94,097	-	9,028	84,620

**BULLITT COUNTY SCHOOL DISTRICT**

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

RIVERVIEW HIGH SCHOOL

YEAR ENDED JUNE 30, 2012

<u>NAME OF ACTIVITY</u>	<u>CASH BALANCES July 1, 2011</u>	<u>RECEIPTS</u>	<u>DISBURSE- MENTS</u>	<u>CASH BALANCES June 30, 2012</u>	<u>RECEIVABLES June 30, 2012</u>	<u>ACCOUNTS PAYABLE June 30, 2012</u>	<u>DUE TO STUDENT GROUPS June 30, 2012</u>
GENERAL	\$ 16,892	\$ 2,432	\$ 3,355	\$ 15,969	\$ -	\$ -	\$ 15,969
SUB ACCT-SHOP	4,824	75	309	4,590	-	-	4,590
Subtotal	21,716	2,507	3,664	20,559	-	-	20,559
Interfund Transfers	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 21,716</b>	<b>\$ 2,507</b>	<b>\$ 3,664</b>	<b>\$ 20,559</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,559</b>

**BULLITT COUNTY SCHOOL DISTRICT**

SCHEDULE OF ASSETS, CASH RECEIPTS AND DISBURSEMENTS, AND LIABILITIES

BULLITT COUNTY DAY TREATMENT

YEAR ENDED JUNE 30, 2012

<u>NAME OF ACTIVITY</u>	<u>CASH BALANCES July 1, 2011</u>	<u>RECEIPTS</u>	<u>DISBURSE- MENTS</u>	<u>CASH BALANCES June 30, 2012</u>	<u>RECEIVABLES June 30, 2012</u>	<u>ACCOUNTS PAYABLE June 30, 2012</u>	<u>DUE TO STUDENT GROUPS June 30, 2012</u>
DRINKS	\$ 124	\$ 108	\$ 40	\$ 192	\$ -	\$ -	\$ 192
GENERAL	13,049	132	143	13,038	-	-	13,038
Subtotal	13,173	240	183	13,230	-	-	13,230
Interfund Transfers	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 13,173</b>	<b>\$ 240</b>	<b>\$ 183</b>	<b>\$ 13,230</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,230</b>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**BULLITT COUNTY SCHOOL DISTRICT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Child Nutrition Cluster -			
Cash Assistance			
Passed Through State Department of Education			
National School Lunch Program	10.555	7750002-11 7750002-12	\$ 491,436 1,924,492
School Breakfast Program	10.553	7760005-11 7760005-12	142,054 591,567
Summer Food Service Program for Children	10.559	7690024-11 7740023-11 7740023-12	2,312 22,167 30,593
Non-Cash Assistance (Commodities)			
National School Lunch Program	10.555	057502-02	<u>332,229</u>
TOTAL CHILD NUTRITION CLUSTER			<u>3,536,850</u>
TOTAL U.S. DEPT. OF AGRICULTURE			<u>3,536,850</u>
<u>U.S. DEPARTMENT OF DEFENSE</u>			
National Guard Civilian Youth Opportunities	12.404	5042	<u>158,067</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>158,067</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Passed Through Kentucky Department of Energy Development and Independence			
State Energy Program	81.041	5691	30,446
Passed Through Kentucky Department of Education			
Conservation Research and Development	81.086	6200D	<u>311,945</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>342,391</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Title I, Part A Cluster -			
Passed Through State Department of Education			
Title I Grants to Local Educational Agencies	84.010	3100 3100M 3101 3101M 3101T 3102 3102D 3102M 3102T 3200 3201 3202	12,292 190 199,971 6,320 1,993 1,014,625 395,467 6,669 10,438 123,944 121,116 44,555 <u>1,937,580</u>

**BULLITT COUNTY SCHOOL DISTRICT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2012

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	3919 3919D 3919M 3919T	10,266 27,021 3,112 18,345 <hr/> 58,744
<b>TOTAL TITLE I, PART A CLUSTER</b>			<hr/> <b>1,996,324</b>
Special Education Cluster (IDEA) - Passed Through State Department of Education			
Special Education - Grants to States	84.027	3371 3372	924,830 <hr/> 1,355,965 <hr/> 2,280,795
Special Education - Preschool Grants	84.173	3430 3431	33,247 <hr/> 77,500 <hr/> 110,747
ARRA - Special Education - Preschool Grants (Idea Preschool), Recovery Act	84.392	4239	33,868
ARRA - Special Education - Grants to States (Idea, Part B), Recovery Act	84.391	4249	<hr/> 671,551
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>			<hr/> <b>3,096,961</b>
Education of Homeless Children and Youth Cluster Passed Through State Department of Education			
Education of Homeless Children and Youth	84.196	3161 3162	7,112 <hr/> 17,816 <hr/> 24,928
ARRA - Education of Homeless Children and Youth, Recovery Act	84.387	3210	<hr/> 540
<b>TOTAL EDUCATION OF HOMELESS CHILDREN AND YOUTH CLUSTER</b>			<hr/> <b>25,468</b>
Education Technology State Grants Cluster - Passed Through State Department of Education			
Education Technology State Grants	84.318	4250 42500 4251	1,425 14,759 <hr/> 2,319 <hr/> 18,503
ARRA - Education Technology State Grants, Recovery Act	84.386	4850	<hr/> 419
<b>TOTAL EDUCATION TECHNOLOGY STATE GRANTS CLUSTER</b>			<hr/> <b>18,922</b>

**BULLITT COUNTY SCHOOL DISTRICT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
<u>OTHER U.S. DEPARTMENT OF EDUCATION PROGRAMS</u>			
Passed Through State Department of Education			
Title I Program for Neglected and Delinquent Children	84.013	3131 3132	485 21,245 <hr/>
			<hr/> 21,730
Vocational Education - Basic Grants to States	84.048	3480A 3481 3481A 3482	3,346 2,277 4,589 83,155 <hr/>
			<hr/> 93,367
Safe and Drug Free Communities and Schools - State Grants	84.184	SDTP	23,131
Twenty-First Century Community Learning Centers	84.287	5500 5500E 5500Q 5500Z 5501 5501S	200 17,037 3,000 10,500 75,000 5,000 <hr/>
			<hr/> 110,737
Improving Teacher Quality - State Grants	84.367	4010 4011 4012	176 344,974 277,075 <hr/>
			<hr/> 622,225
ARRA - School Improvement Grants, Recovery Act	84.388	5600A 5600B	184,193 224,830 <hr/>
			<hr/> 409,023
Education Jobs Fund	84.410	4411	1,555,903
Passed Through Danville Board of Education Striving Readers	84.371	6941B	<hr/> 1,988
TOTAL U.S. DEPARTMENT OF EDUCATION			<hr/> 7,975,779
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 12,013,087</u>

The accompanying notes are an integral part of this schedule.

**BULLITT COUNTY SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2012

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Bullitt County School District under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of 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**



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**Section I-Summary of Auditor's Results – Continued**

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Identification of major programs:

<u>CFDA Number</u>	<u>Federal Program or Cluster</u>
<b>DEPARTMENT OF ENERGY</b>	
81.086	Conservation Research and Development
<b>DEPARTMENT OF EDUCATION</b>	
<b>Title I</b>	
84.010	Title I - Grants to States
84.389	ARRA - Title I - Grants to States, Recovery Act
<b>Special Education Cluster (IDEA) -</b>	
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.391	ARRA - Special Education - Grants to States (Idea, Part B), Recovery Act
84.392	ARRA - Special Education - Preschool Grants (Idea Preschool), Recovery Act
<b>OTHER PROGRAMS</b>	
84.367	Improving Teacher Quality - State Grants
84.388	ARRA - School Improvement Grants, Recovery Act

Threshold used to distinguish  
Between type A and type B programs: \$ 360,393

Auditee qualified as low-risk auditee?  yes  no

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## Section II – Financial Statement Findings

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### MATERIAL WEAKNESSES

#### REFERENCE NUMBER 2012-01 ADJUSTMENTS

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

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

**Cause:** The District did not identify all necessary adjustments.

**Effect:** The financial statements could be materially misstated.

**Recommendation:** We recommend District management and financial personnel continue to increase their awareness and knowledge of all procedures and processes involved in preparing financial statements and develop internal control policies to ensure all material adjustments are made.

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

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## Section III – Federal Award Findings and Questioned Costs

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No matters were reported.

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**BULLITT COUNTY SCHOOL DISTRICT**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

June 30, 2012

There were no prior federal findings.

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

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education  
Bullitt County School District  
Shepherdsville, Kentucky

We have audited 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, 2012, which collectively comprise Bullitt County School District's basic financial statements and have issued our report thereon dated October 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the requirements prescribed by the Kentucky State Committee for School District Audits in Appendices I, II, III and IV of the *Independent Auditor's Contract*.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bullitt County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. In addition, the results of our tests disclosed no instances of material noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditor's Contract – State Audit Requirements*.

We also noted certain additional matters that we have reported to the management of Bullitt County School District in a separate letter dated October 16, 2012.

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

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



Certified Public Accountants  
October 16, 2012

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

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education  
Bullitt County School District  
Shepherdsville, Kentucky

### Compliance

We have audited the compliance of Bullitt County School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Bullitt County School District's management. Our responsibility is to express an opinion on Bullitt County School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of Bullitt County School District's compliance with those requirements.

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

### Internal Control Over Compliance

Management of Bullitt County School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Bullitt County School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

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

This report is intended solely for the information and use of management, the members of the 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.

*Stiles, Carter & Associates*

Certified Public Accountants  
October 16, 2012

**MANAGEMENT LETTER AND COMMENTS**

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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, 2012, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. Any uncorrected comments from the prior year have been included in the memorandum. A separate report dated October 16, 2012, contains our report on the District's internal control. This letter does not affect our report dated October 16, 2012, 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.

*Stiles, Carter & Associates*

Certified Public Accountants  
October 16, 2012

**BULLITT COUNTY SCHOOL DISTRICT**

COMMENTS

June 30, 2012

**4<sup>TH</sup> YEAR UNCORRECTED COMMENTS**

**BULLITT CENTRAL HIGH SCHOOL**

BOOSTER CLUBS

We noted the following booster clubs did not have Redbook required documentation on file: the Band, Boys Basketball, Girls Basketball and Dance Booster Clubs did not have an Annual Financial Report on file and the Band Booster Club did not have a budget or list of officers on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**3<sup>RD</sup> YEAR UNCORRECTED COMMENTS**

**BULLITT LICK MIDDLE SCHOOL**

MULTIPLE RECEIPT FORMS

We noted a deposit of \$4,659.00, dated 4/23/2012 with F-SA-6, Multiple Receipt Forms, from the Beta Club and 7th grade field trip without student signatures

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**PRIOR YEAR UNCORRECTED COMMENTS**

**BROOKS ELEMENTARY SCHOOL**

UNALLOWABLE PURCHASE

We noted check #2280, dated 4/18/12, for \$40.66 was written to Kroger to purchase faculty snacks out of the picture fund

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT CENTRAL HIGH SCHOOL**

UNTIMELY DEPOSITS

We noted the following deposits were untimely: deposit of \$1,469.39, dated 9/28/11 with several F-SA-6, Multiple Receipt Forms, dated 9/23/11, deposit of \$914.66, dated 3/16/12 and deposit of \$1,781.85, dated 5/16/12 both with several F-SA-6 that were not signed or dated by the person remitting funds.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT COUNTY SCHOOL DISTRICT**

COMMENTS – CONTINUED

June 30, 2012

**BULLITT LICK MIDDLE SCHOOL**

FUNDRAISER

We noted the Krispy Kreme fundraiser held by the student council did not have F-SA-2B, Fundraiser Worksheet, on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**CEDAR GROVE ELEMENTARY**

UNTIMELY DEPOSIT

We noted that the 3/1/2012 deposit of \$1,178.00 had an F-SA-6, Multiple Receipt Form, attached with a date of 1/24/12, thirty-five days before deposit of funds.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**LEBANON JUNCTION ELEMENTARY**

FUNDRAISERS

We noted the following fundraisers did not have an F-SA-2B, Fundraiser Worksheet, on file: the Drinks and Candy Sales fundraiser, Cookie Dough fundraiser and the Coca-Cola fundraiser. In addition the Cookie Dough fundraiser and the Coca-Cola fundraiser did not have F-SA-2A, Fundraiser Approval, on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**NORTH BULLITT HIGH SCHOOL**

FUNDRAISER

We noted the Senior Class Fruit Sales fundraiser did not have an F-SA-2A, Fundraiser Approval or F-SA-2B, Fundraiser Worksheet on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

TICKET SALES

We noted an F-SA-1 for a football game held on 10/14/11 without the ending ticket attached.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT COUNTY SCHOOL DISTRICT**

COMMENTS - CONTINUED

June 30, 2012

**NORTH BULLITT HIGH SCHOOL – CONTINUED**

BOOSTER CLUBS

The Athletic Booster Club did not have a list of officers or a budget on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**CURRENT YEAR COMMENTS**

**BERNHEIM MIDDLE SCHOOL**

FUNDRAISER

We noted the Band Mink and Company catalog sales fundraiser did not have F-SA-2B, Fundraiser Worksheet, on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

INVENTORY

We noted the Archery Peeler Card fundraiser did not have F-SA-5, Inventory Worksheet, on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

UNAPPROVED VENDOR

We noted check #3731, dated 9/2/11 for \$142.00 was written to the Walmart in Bardstown, who is an unapproved vendor.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT CENTRAL HIGH SCHOOL**

CHECK ORGANIZATION

We noted check numbers were not sequential. The school treasurer has multiple stacks of checks placed in various areas of her office and stated she will choose a check from any of the stacks throughout the day.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

## **BULLITT COUNTY SCHOOL DISTRICT**

### COMMENTS - CONTINUED

June 30, 2012

### **BULLITT CENTRAL HIGH SCHOOL – CONTINUED**

#### GIFT CARDS

We noted check #9067, dated 5/8/12 for \$100.00 was written to Kroger for the purchase of four gift cards but only three cards are documented as given away.

#### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

### **BULLITT EAST HIGH SCHOOL**

#### FUNDRAISER

We noted that the Baseball Parents Casino Trip fundraiser held on 1/16/2012 did not have F-SA-2B, Fundraiser Worksheet, on file.

#### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

#### INVENTORY CONTROL

We noted a deposit with concessions receipts for a wrestling match held on 12/8/2011 without F-SA-5, Inventory Control Worksheet on file.

#### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

#### UNAPPROVED VENDOR

We noted check #15592, dated 5/3/2012 for \$300.00 was written to Wal-Mart in Bardstown, who is an unapproved vendor.

#### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

#### MULTIPLE RECEIPT FORMS

We noted the following deposits had F-SA-6, Multiple Receipt Forms, attached without student signatures: deposit of \$225.00, dated 10/13/2011, deposit of \$6,496.50 dated 11/22/2011, and deposit of \$4,659.00 dated 4/23/12.

#### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

## **BULLITT COUNTY SCHOOL DISTRICT**

### COMMENTS - CONTINUED

June 30, 2012

#### **CEDAR GROVE ELEMENTARY**

##### MULTIPLE RECEIPT FORM

We noted a deposit dated 8/31/2011 of \$540.00 had an F-SA-6, Multiple Receipt Form, without student signatures.

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

##### FUNDRAISER

We noted that the Family Resource Center's Cookie Dough fundraiser did not have F-SA-2B, Fundraiser Worksheet, on file

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

##### INVENTORY CONTROL

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

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

#### **CROSSROADS ELEMENTARY**

##### PURCHASE ORDER

We noted check #1095, dated 12/6/2011 written to Staff Development for Educators with an invoice dated 10/7/11 and a purchase order dated 11/15/11, thirty-eight days after the invoice date.

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

#### **FREEDOM ELEMENTARY**

##### UNTIMELY DEPOSIT

We noted a deposit of \$872.00 with a deposit slip dated 5/18/2012 but not canceled by the bank until dated 5/23/12 and three F-SA-6, Multiple Receipt Forms, dated 5/15/12, 5/17/12 and 5/18/12, five to eight days before the deposit of funds.

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

## **BULLITT COUNTY SCHOOL DISTRICT**

### COMMENTS - CONTINUED

June 30, 2012

#### **HEBRON MIDDLE SCHOOL**

##### FUNDRAISERS

We noted an F-SA-2B, Fundraiser Worksheet, was not on file for the Cheerleader Fund Jeans Day fundraiser or the Archery Fund Amish Recipe Sales fundraiser.

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

##### UNTIMELY DEPOSITS

We noted a deposit of \$1,357.00, dated 10/28/2011 had an F-SA-1, Requisition and Report of Ticket Sales with \$375.00 of funds for a girls basketball game held on 10/25/2011, three days before deposit of funds and a deposit of \$786.43 dated 5/19/2012 had an F-SA-6 attached dated 5/15/2012, four days before deposit of funds.

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

##### MISSING INVOICE

We noted check #3785, dated 5/2/2012 for \$225.00, written to Ambassador Capital Limo without a vendor or standard invoice.

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

#### **LEBANON JUNCTION ELEMENTARY**

##### TICKET SALES

We noted F-SA-1, Requisition and Report of Ticket Sales, for the basketball games held on 3/15/12 and 3/20/12 did not have separate ticket takers and ticket sellers documented.

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

##### MULTIPLE RECEIPT FORMS

We noted a deposit of \$832.03, dated 5/9/2012 had three F-SA-6, Multiple Receipt Forms, for student donations and four F-SA-6 listing only a total for receipts without student signatures.

##### Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT COUNTY SCHOOL DISTRICT**

COMMENTS - CONTINUED

June 30, 2012

**LEBANON JUNCTION ELEMENTARY-CONTINUED**

GIFT RECEIPTS

We noted the following checks were recorded as the purchase of gifts for student drawings without documentation of receipt of the gifts: check #2274 for \$134.96, dated 8/25/11 for the purchase of a Wii and check #2416 for \$195.00, dated 5/1/12 for the purchase of an iPod.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**MARYVILLE ELEMENTARY**

FUNDRAISERS

We noted F-SA-2B, Fundraiser Worksheet, for both the coupon book and cookie dough fundraisers were filled out incorrectly as line 1, Total Count of Items to be Sold, and line 2, Total Budgeted Sales, were left blank.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

UNALLOWABLE PURCHASE

We noted check #2542, dated 4/20/2012 for \$300.90 was written to Ken Mulch to purchase mulch with funds from the Dress Down Days fundraiser, which was not approved for that purpose.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**MT. WASHINGTON ELEMENTARY**

FUNDRAISERS

We noted the Valentine Friendship/Valentine Grams fundraiser did not have expenses listed on an F-SA-2B, Fundraiser Worksheet, and the School Wide Talent Show fundraiser did not have an F-SA-2B on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**MT WASHINGTON MIDDLE SCHOOL**

UNAPPROVED VENDOR

We noted check #3173, dated 11/15/11 for \$659.75 was written to Montgomery Signs, who is not an approved vendor.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT COUNTY SCHOOL DISTRICT**

COMMENTS - CONTINUED

June 30, 2012

**NICHOLS ELEMENTARY SCHOOL**

INVENTORY CONTROL

We noted the Spirit Wear fundraiser did not have an F-SA-5, Inventory Control Worksheet, on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

DISBURSEMENTS

We noted check numbers on STI generated reports were missing the first digit as compared to the actual check stubs and bank statement. For instance, preprinted check #1646 had an invoice stamped paid with check #646 and listed as #646 in all STI reports.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**NORTH BULLITT HIGH SCHOOL**

INVENTORY CONTROL

We noted the Candy Sales fundraiser and Peeler Card did not have an F-SA-5, Inventory Control Worksheet, on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

PREFILLED TICKET SALES FORM

We noted an F-SA-1, Requisition and Report of Ticket Sales, was prefilled with \$200.00 gate change received and the athletic director's name as the person in charge of sales for all three athletic events held on 9/15/12. The same prefilled F-SA-1 appeared to be used for all athletic events even when gate change returned was listed as \$2,000.00, \$200.00 or \$100.00 in the sales reconciliation on the bottom of the form.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

MISSING RECEIPTS DOCUMENTATION

We noted a deposit of \$1,769.00, dated 3/21/2012 without receipt documentation on file and a deposit of \$8,508.00, dated 5/29/2012 with a large portion of the deposit documentation not on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT COUNTY SCHOOL DISTRICT**

COMMENTS - CONTINUED

June 30, 2012

**NORTH BULLITT HIGH SCHOOL – CONTINUED**

UNTIMELY DEPOSITS

We noted a deposit of \$8,508.00, dated 5/29/2012 included funds from an F-SA-1, Requisition and Report of Ticket Sales, dated 5/11/2012, which was eighteen days before the deposit of funds.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

GIFT CARDS

We noted check #9491, for \$4,734.00, dated 12/15/2011 was written to Texas Roadhouse for gift cards without documentation of the receipt of the cards.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

MISSING INVOICE

We noted check #10017 for \$96.90, dated 6/13/12, written to Wal-Mart did not have a vendor receipt or standard invoice on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

UNALLOWABLE PURCHASES

We noted check #9109, dated 9/7/11 for 464.50 was written to Lloyd's Florist to purchase flowers for the staff from the Operational fund.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**OLD MILL ELEMENTARY SCHOOL**

FUNDRAISERS

We noted the Great American Post-Card fundraiser did not have an F-SA-2A, Fundraiser Approval or an F-SA-2B, Fundraiser Worksheet on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT COUNTY SCHOOL DISTRICT**

COMMENTS - CONTINUED

June 30, 2012

**OLD MILL ELEMENTARY SCHOOL - CONTINUED**

MULTIPLE RECEIPT FORMS

We noted the Mink & Company catalog fundraiser held on 9/15/11 had F-SA-6, Multiple Receipt Forms, attached from 4<sup>th</sup> and 5<sup>th</sup> grade students without initials or signatures.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

CASH DISBURSEMENT

We noted check #2682, dated 4/24/12 for \$165.00 was made payable to cash for the purpose of student rewards without documentation of receipt funds.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**OVERDALE ELEMENTARY SCHOOL**

FUNDRAISERS

We noted the 2nd Grade Krispy Kreme fundraiser and the Music Poinsettia Sales fundraiser had attached an F-SA-2B, Fundraiser Worksheet, with line 2, Items to be Sold, recorded at the purchase price instead of the sales price and the sales recap of lines 7 through 12 was calculated incorrectly.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

VOIDED CHECKS

We noted several voided checks without the signature area removed.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**RIVERVIEW HIGH SCHOOL**

PURCHASE ORDER

We noted check #1599, dated 12/2/2011 for \$420.00 written to Miller Transportation had a an invoice attached that was dated 11/17/2011 and a purchase order dated 11/28/2011, eleven days after the invoice date.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**BULLITT COUNTY SCHOOL DISTRICT**

COMMENTS - CONTINUED

June 30, 2012

**ROBY ELEMENTARY SCHOOL**

FUNDRAISERS

We noted the school wide Jeans Day fundraiser did not have documentation of board approval on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

UNTIMELY DEPOSITS

We noted the following untimely deposits: deposit of \$1,941.00, dated 11/7/11 with an F-SA-6, Multiple Receipt Fund form, dated 11/3/11 and a deposit of \$514.30, dated 5/23/12 with an F-SA-6 dated 5/20/12.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

PURCHASE ORDER

We noted check #2191, dated 10/4/11 for \$6,344.00 was written to Louisville City Saver with an invoice dated 10/3/11 and a purchase order dated 10/4/11, one day after the invoice date.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

**ZONETONE MIDDLE SCHOOL**

FUND RAISER

We noted the Beta Club Winter Dance fundraiser had an incomplete F-SA-2B, Fundraiser Worksheet, as no expenses were listed.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

BOOSTER CLUBS

We noted the Zoneton Middle Booster Club did not have a budget on file.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.

MULTIPLE RECEIPT FORMS

We noted a deposit of \$332.77, dated 1/18/12 had attached an F-SA-6, Multiple Receipt Forms, without student signatures.

Management Response

The District held Redbook training in September 2012. The school has been contacted and is implementing corrective procedures.