

Henderson County School District

Independent Auditors' Report on Basic Financial Statements
and Supplementary Information
For the fiscal year ended June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education
Henderson County School District
Henderson, 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 Henderson County School District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Henderson County School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the audit requirements prescribed by the Kentucky State Committee for School 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, and Appendix III of the Independent Auditor's Contract – Audit Extension Request, and Appendix IV to the Independent Auditors' Contract-Instruction 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 Henderson County School District as of June 30, 2012, and the respective changes in financial position and cash flows for its proprietary funds 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 September 10, 2012, on our consideration of Henderson County School District's internal control structure and a report dated September 10, 2012, on our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of those reports 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. Those reports are 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 to 8 and page 36, respectively, be presented to supplement 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 supplemental information in accordance with auditing standards

generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods preparation of the supplemental 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 made for the purpose of forming opinions on the financial statements that collectively comprise the Henderson County School District's basic financial statements. The budgetary comparison information on page 36 and the combining non-major fund financial statements on pages 37 through 40 are presented for the purpose of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Myriad CPA Group, LLC". The signature is written in black ink and is positioned in the center of the page.

Henderson, Kentucky
September 10, 2012

Henderson County Schools

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HENDERSON COUNTY BOARD OF EDUCATION Henderson, Kentucky MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

As management of the Henderson County School District (District), we offer readers of the District's financial statements in this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. We encourage our readers to consider information presented here in conjunction with additional information located within the body of the audit report.

Financial Highlights:

- The beginning Governmental Fund balance for the District was \$30,964,967. The ending fund balance was \$ 24,424,919 which was a decrease of \$6,540,048.
- The District is in excellent financial condition as it has been able to withstand the financial pressures of a very tight state education budget over the past several years without impairing the educational programs or facilities maintenance requirements for the District.
- The District's current assets decreased by \$6,868,230 during the year, while current liabilities decreased by \$140,459 resulting in a current ratio of 5.41, which is indicative of the District's solid financial position and operating efficiency.
- The District continues to make significant investments in the facilities of the district.
- The District continues to invest in technology utilized in instructional programs with the district investing over \$2.1 million dollars in technology related equipment, software, and supplies during the 2011-2012 school year. The district continues to pursue its efforts to have wireless technology available in all schools.
- The District completed construction of the Thelma B. Johnson Early Learning Center and will begin holding preschool classes in the center in August, 2012.

Overview of the Financial Statements:

Management's 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, 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 the readers with a broad overview of the District's finances, in a manner similar to a private sector business.

- The *Statement of Net Assets* present 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.
- 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 if the related cash transactions. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

**Henderson County School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2012**

Overview of the Financial Statements, continued:

Both of these district wide statements are divided into two District types of activities:

- *Government Activities*- 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. The fixed assets and related debt that are also supported by taxes and intergovernmental revenues are reported in this section.
- *Business-Type Activities*- These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The types of activities reported in this category are the food service operations, child care centers, and adult education courses. These activities are funded through fees charged and supported by federal grants and federal commodities used in the food service operations.

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 system. 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 funds.

- *Governmental Funds*- Most of the School District's activities are reported in the governmental funds that include: general fund, special revenue (grants), capital outlay, building fund (FSPK), construction fund, and debt service fund. These funds are reported using an accounting method referred to as modified accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The government fund statements provide a detailed short-term view of the School District's general government operations and basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and Statement of Activities) and governmental funds is reconciled in the financial statements provided.
- *Proprietary Funds*- The proprietary funds include the food service, child care centers, and adult education programs found in the business type activity funds. These funds utilize the same basis of accounting as business type activities, therefore, the statements for the proprietary fund will correspond to the statement of net assets.
- *Fiduciary Funds*- The fiduciary funds are trust funds established by benefactors to aid in student education, welfare, and teacher support. The District's fiduciary funds, referred to as "activity funds" are maintained at the school level.
- *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 financial statements. These notes may better explain data found in the financial statements, or provide additional information that is not found in the financial statements provided.

**Henderson County School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2012**

GOVERNMENT WIDE FINANCIAL ANALYSIS

The largest portion of the District's net assets reflects its investment in capital assets (e.g. land and improvements, buildings and improvements, vehicles, furniture and equipment) less any related debt used to acquire those assets, which is outstanding at year end.

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 those capital assets.

Net Assets For the Fiscal Year Ended June 30, 2012

	June 30, 2012	June 30, 2011	Change
Current assets	\$ 29,835,696	\$ 36,703,926	\$ (6,868,230)
Capital or non-current assets	39,359,258	32,552,091	6,807,167
Total Assets	\$ 69,194,954	\$ 69,256,017	\$ (61,063)
Current liabilities	\$ 5,519,663	\$ 5,660,122	\$ (140,459)
Non-current liabilities	22,385,878	22,257,618	128,260
Total Liabilities	27,905,541	27,917,740	(12,199)
Investment in capital assets, net of related debt	15,483,068	8,758,970	6,724,098
Restricted	2,268,810	8,501,248	(6,232,438)
Nonspendable	346,145	222,397	123,748
Committed	2,091,017	112,547	1,978,470
Assigned	5,468,434	5,190,786	277,648
Unassigned	15,631,939	18,552,329	(2,920,390)
Total Net Assets	\$ 41,289,413	\$ 41,338,277	\$ (48,864)

The net total assets exceeded the total liabilities by \$41,289,413 which indicates that the district is in very good financial condition.

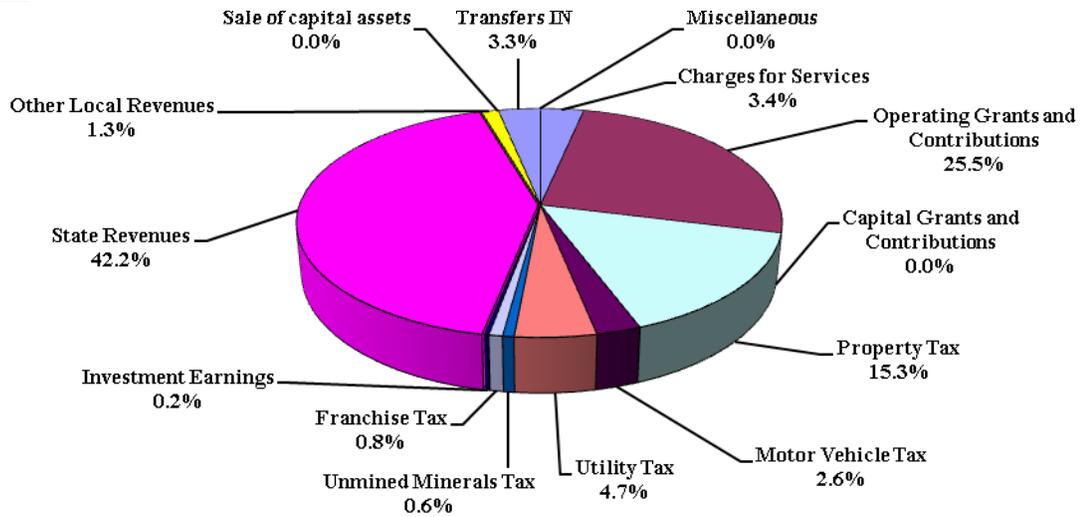
The current assets decreased by \$6.8 million during the fiscal year while the capital assets increased by \$6.8 million. Total acquisitions of capital assets during the year were approximately \$9.8 million, while depreciation of assets totaled \$3.0 million. This resulted in a net increase in capital assets of \$6.8 million. The scheduled debt retirement payments resulted in a net increase in long-term liabilities of \$128,260. All of these factors resulted in a decrease in net assets of \$48,864 thousand for the year ended June 30, 2012.

The District's total revenues were \$ 73,905,845 and the total expenditures were \$74,028,487, which resulted in a decrease in assets of \$122,642.

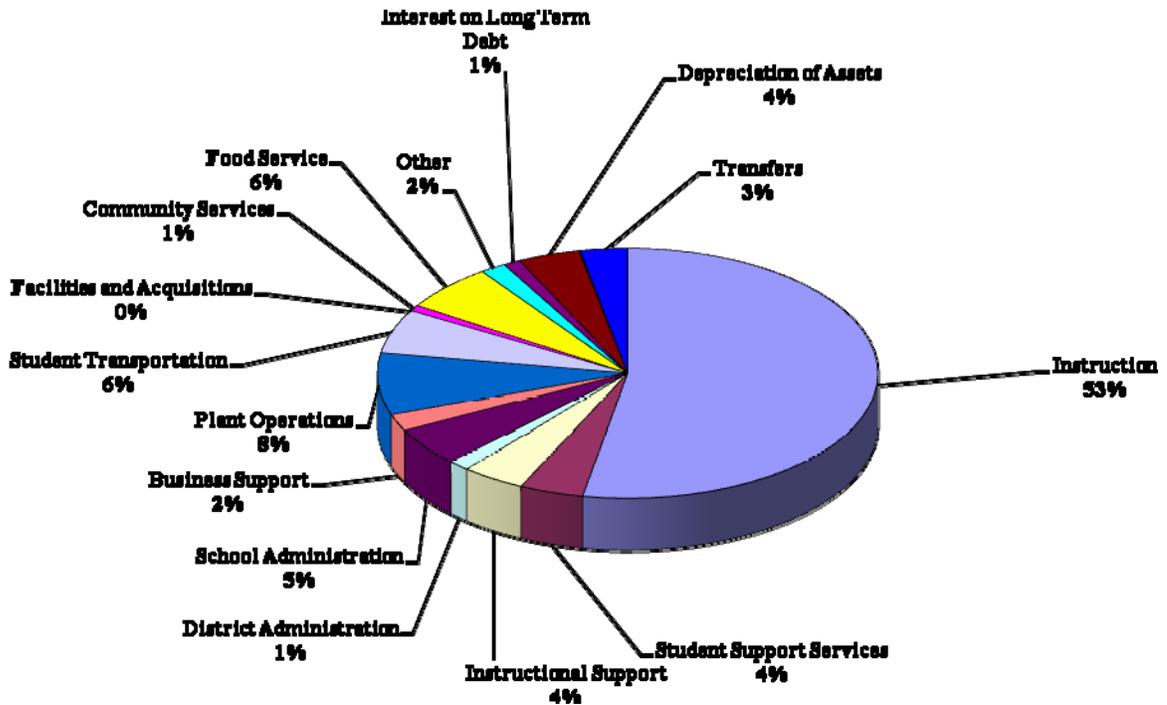
- State revenues accounted for 42% of the total revenues while local taxes accounted for 23%.
- Expenditures totaled \$74,028,487, with \$39,143,693 or 53% of total being expended towards student instruction.

Henderson County School District
 Management's Discussion and Analysis
 for the Fiscal Year ended June 30, 2012

Revenues:



Expenditures:



**Henderson County School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2012**

Governmental Fund Highlights

- The General Fund revenues for the year were \$ 54.5 million, with \$ 37.1 million coming from state revenues and the remaining \$17.4 million from local sources.
- Total General Fund Expenditures were \$54.8 million, with instruction costs being the largest area at \$ 33.7 million.
- The net deficit of revenues over expenditures was \$284,616 resulting in a decrease in the fund balance of a like amount for the 2012 fiscal year.

The Special Revenue fund expenditures for the year were \$8.2 million. Two major sources of revenues for this fund were State Grants totaling \$3.2 million and Federal Grants totaling \$4.8 million.

The Other Governmental Funds also included debt services payments of \$2.7 million.

Total ending fund balances as for June 30, 2012 were \$ 22.7 million in the General Fund and \$1.7 million in the other governmental funds for a total of \$24.4 million.

Commentary on General Fund Budgetary Comparisons

- The actual revenues and expenditures both include \$10.4 million of on behalf payments that are not included in the original or final budgets. These represent payments for employee benefits paid at the state level on behalf of the Henderson County School District. The following comments below are net of these on-behalf payments.
- Total revenues in relation to budgeted amounts were \$ 12.5 million favorable. The major revenue line items exceeding amounts budgeted were property taxes from all sources by \$1.2 million.
- Total expenditures were \$54.8 million, with expenditures in relation to budgeted amounts being \$4.6 million favorable. The budget included a contingency of \$ 12 million with no expenditures and the actual included \$10.4 million of on behalf payments with no corresponding budget.

Future Budgetary Considerations

In Kentucky, the public schools operate on a July 1, to June 30th fiscal year, other programs such as some federal programs, operate on a different fiscal calendar, but are reflected in the District's overall budget. By law, the budget must have at least a 2% contingency. The district adopted a budget for fiscal year 2013, with a 12.48% contingency. However, current economic conditions are of concern. The local budget contingency includes reserved funds for state economic shortfalls which will be used, if necessary, to protect the current level of direct classroom instruction. The District intends to take a conservative approach to expenditures as it has in the previous years.

District Challenges for the Future

As with the current year, transportation costs for students is a significant financial concern now and in the future. State provided funds are being reduced while most components are increasing. The cost of diesel fuel has varied widely over the past four years and continues to be of concern in the future. The costs of bus purchases will continue to increase due to changes in EPA requirements and the need to continue to replace an aging fleet. The District has made significant changes in bus routes to minimize annual transportation expenses.

**Henderson County School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2012**

District Challenges for the Future, continued

The State of Kentucky's financial concerns due to a stagnant economy will have a significant impact on the availability of funds allocated to public education. The school districts have already experienced reductions in funding and allocation of some expenses that were traditionally paid by the state. Since a large percentage of the District's funding is provided by the State sources, the financial outlook for public schools is dependent upon the State's financial condition and budgetary funds. The outlook for the next few years is a major concern for the Board and management.

The District's tests scores as with the previous year are on the rise. Several new programs have been initiated in the past few years that will continue to impact test scores in a positive manner in the future. However, many of the programs, such as full day kindergarten, expanded pre-school programs, curriculum specialists, and enrichment teams are not funded by the State budget. The District will again be challenged to continue to find the resources to fund these important educational programs.

Technology has been and will continue to be a major focus as we continue towards a wireless infrastructure and the need to keep pace with an ever changing technological society.

Report Purpose and Contact Information

This financial report is designed to provide our citizens, taxpayers, and investors and creditors, with a general overview of the Henderson County School District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, these inquiries should be directed to:

Walt Spencer, Assistant Superintendent of Finance
Henderson County Schools
1805 Second Street
Henderson, Kentucky 42420
Telephone: 270.831.5000 or Electronic Mail: Walt.Spencer@henderson.kyschools.us

Henderson County School District
Government Wide Financial Statements - Statement of Net Assets
June 30, 2012

	Governmental Activities	Business Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 25,497,363	\$ 1,954,228	\$ 27,451,591
Inventory	-	102,272	102,272
Accounts receivable:			
Taxes - current	123,447	-	123,447
Accounts receivable	79,239	43,690	122,929
Intergovernmental - Indirect	1,913,521	-	1,913,521
Prepaid expenses	121,936	-	121,936
Total Current Assets	27,735,506	2,100,190	29,835,696
Noncurrent Assets:			
Capital assets, net	38,613,414	269,200	38,882,614
Bond issue cost, net	476,644	-	476,644
Total Noncurrent Assets	39,090,058	269,200	39,359,258
Total Assets	\$ 66,825,564	\$ 2,369,390	\$ 69,194,954
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	\$ 770,267	\$ 47,670	\$ 817,937
Accrued payroll and related expenses	907,930	104,552	1,012,482
Deferred revenue	1,376,226	-	1,376,226
Current portion of bond obligations	1,835,003	-	1,835,003
Current portion of accrued sick leave	256,164	-	256,164
Interest payable	221,851	-	221,851
Total Current Liabilities	5,367,441	152,222	5,519,663
Noncurrent Liabilities:			
Noncurrent portion of bond obligations	21,564,543	-	21,564,543
Noncurrent portion of accrued sick leave	821,335	-	821,335
Total Noncurrent Liabilities	22,385,878	-	22,385,878
Total Liabilities	\$ 27,753,319	\$ 152,222	\$ 27,905,541
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 15,213,868	\$ 269,200	\$ 15,483,068
Nonspendable	121,936	102,272	224,208
Committed	112,547	1,978,470	2,091,017
Restricted	2,268,810	-	2,268,810
Assigned	5,449,298	19,036	5,468,334
Unassigned	15,905,786	(151,810)	15,753,976
Total Net Assets	\$ 39,072,245	\$ 2,217,168	\$ 41,289,413

The accompanying notes are an integral part of these financial statements

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

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS AND RESOURCES:</u>				
Cash and cash equivalents	\$ 23,973,849	\$ (466,235)	\$ 1,989,749	\$ 25,497,363
Accounts receivable:	.			
Taxes - current	123,447	-	-	123,447
Accounts receivable	78,031	1,208	-	79,239
Intergovernmental - State	-	1,913,521	-	1,913,521
Prepaid expenses	121,936	-	-	121,936
Total Assets and Resources	<u>\$ 24,297,263</u>	<u>\$ 1,448,494</u>	<u>\$ 1,989,749</u>	<u>\$ 27,735,506</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 448,611	\$ 122,538	\$ 199,118	\$ 770,267
Accrued payroll and related expenses	823,963	78,734	-	902,697
Employee withholding taxes	5,233	-	-	5,233
Current portion of accumulated sick leave	256,164	-	-	256,164
Deferred revenue	-	1,376,226	-	1,376,226
Total Liabilities	<u>1,533,971</u>	<u>1,577,498</u>	<u>199,118</u>	<u>3,310,587</u>
<u>FUND BALANCES:</u>				
Nonspendable	121,936	-	-	121,936
Committed	112,547	-	-	112,547
Restricted	591,510	-	1,677,300	2,268,810
Assigned	5,273,885	62,082	113,331	5,449,298
Unassigned	16,663,414	(191,086)	-	16,472,328
Total Fund Balances	<u>22,763,292</u>	<u>(129,004)</u>	<u>1,790,631</u>	<u>24,424,919</u>
Total Liabilities and Fund Balances	<u>\$ 24,297,263</u>	<u>\$ 1,448,494</u>	<u>\$ 1,989,749</u>	<u>\$ 27,735,506</u>

The accompanying notes are an integral part of these financial statements

Henderson 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	\$ 24,424,919
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.	38,613,414
Certain liabilities (such as bonds payable, the long-term portion of accrued sick leave, and accrued interest) are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net assets, as follows:	
Long-term debt	(23,399,546)
Bond issue costs, net of accumulated amortization	476,644
Long-term portion sick leave accrual	(821,335)
Accrued interest payable on long-term debt	<u>(221,851)</u>
Net assets for governmental activities	<u><u>\$ 39,072,245</u></u>

The accompanying notes are an integral part of these financial statements

HENDERSON COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>				
From local sources				
Taxes				
Property	\$ 9,971,364	\$ -	\$ 1,359,534	\$ 11,330,898
Motor vehicle and watercraft	1,904,927	-	-	1,904,927
Utilities	3,478,385	-	-	3,478,385
Unmined minerals	479,372	-	-	479,372
Franchise	584,498	-	-	584,498
Tuition and fees	73,778	-	-	73,778
Earnings on investments	156,800	-	6,164	162,964
Other local revenues	889,601	81,551	-	971,152
Intergovernmental - intermediate	110,476	-	-	110,476
Intergovernmental - state	36,748,456	3,200,725	2,119,880	42,069,061
Intergovernmental - indirect federal	-	4,717,789	-	4,717,789
Intergovernmental - direct federal	141,573	-	-	141,573
Total Revenues	54,539,230	8,000,065	3,485,578	66,024,873
<u>EXPENDITURES:</u>				
Instruction	33,720,911	6,244,117	-	39,965,028
Support services:				
Student	2,677,945	369,892	-	3,047,837
Instruction staff	2,116,624	920,695	-	3,037,319
District Administrative	886,810	122,447	-	1,009,257
School administrative	3,709,759	-	-	3,709,759
Business	1,593,803	-	-	1,593,803
Plant operation and maintenance	5,879,475	34,488	-	5,913,963
Student transportation	4,227,484	13,125	-	4,240,609
Facilities acquisition and construction	-	-	8,332,744	8,332,744
Community service activities	11,035	554,403	-	565,438
Debt service	-	-	2,712,182	2,712,182
Total Expenditures	54,823,846	8,259,167	11,044,926	74,127,939
Excess (Deficit) of Revenues Over Expenditures	(284,616)	(259,102)	(7,559,348)	(8,103,066)
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers in	169,337	126,372	2,125,900	2,421,609
Operating transfers out	(126,372)	-	(2,125,900)	(2,252,272)
Proceeds from sale of bonds	-	-	1,783,692	1,783,692
Total Other Financing Sources	42,965	126,372	1,783,692	1,953,029
Deficit of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	(241,651)	(132,730)	(5,775,656)	(6,150,037)
Fund Balance, June 30, 2011	23,004,943	3,726	7,566,287	30,574,956
Fund Balance, June 30, 2012	\$ 22,763,292	\$ (129,004)	\$ 1,790,631	\$ 24,424,919

The accompanying notes are an integral part of these financial statements

HENDERSON COUNTY SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2012

Net change in total fund balances per fund financial statements	\$ (6,150,037)
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 plus loss on disposal of fixed assets expense exceeds capital outlays for the year.	6,828,613
Bond issue costs are reported as expenditures in the fund financial statement but are presented as assets in the statement of activities and amortized over the life of the bond issue.	56,836
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.	1,780,000
Bond issue proceeds, net of costs which are reported as other sources of funds in the fund financial statements, but is reflected as a liability in the statement of net assets	(1,810,000)
Generally, expenditures recognized in this fund statement are limited to only those that use current resources, but expenses are recognized in the statement of activities when incurred.	<u>(215,869)</u>
Change in net assets of governmental activities	<u><u>\$ 489,543</u></u>

The accompanying notes are an integral part of these financial statements

Henderson County School District
Statement of Net Assets - Proprietary Funds
June 30, 2012

	<u>Food Service Fund</u>	<u>Child Care Fund</u>	<u>Adult Education Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 1,584,894	\$ 369,014	\$ 320	\$ 1,954,228
Inventory	102,272	-	-	102,272
Accounts receivable	43,687	3	-	43,690
Total Current Assets	<u>1,730,853</u>	<u>369,017</u>	<u>320</u>	<u>2,100,190</u>
Noncurrent Assets:				
Capital assets	1,401,938	47,516	-	1,449,454
Less: accumulated depreciation	<u>(1,165,049)</u>	<u>(15,205)</u>	<u>-</u>	<u>(1,180,254)</u>
Total Noncurrent Assets	<u>236,889</u>	<u>32,311</u>	<u>-</u>	<u>269,200</u>
Total Assets	<u>\$ 1,967,742</u>	<u>\$ 401,328</u>	<u>\$ 320</u>	<u>\$ 2,369,390</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	\$ 41,042	\$ 6,628	\$ -	\$ 47,670
Accrued payroll and related expenses	<u>29,977</u>	<u>74,575</u>	<u>-</u>	<u>104,552</u>
Total Current Liabilities	<u>71,019</u>	<u>81,203</u>	<u>-</u>	<u>152,222</u>
<u>NET ASSETS:</u>				
Invested in capital assets	236,889	32,311	-	269,200
Assigned-Purchase obligations	18,883	153	-	19,036
Reserved for capital assets	1,690,489	287,661	320	1,978,470
Reserved for inventories	102,272	-	-	102,272
Unrestricted	<u>(151,810)</u>	<u>-</u>	<u>-</u>	<u>(151,810)</u>
Total Net Assets	<u>\$ 1,896,723</u>	<u>320,125</u>	<u>320</u>	<u>\$ 2,217,168</u>
Total Liabilities and Net Assets	<u>\$ 1,967,742</u>	<u>\$ 401,328</u>	<u>\$ 320</u>	<u>\$ 2,369,390</u>

The accompanying notes are an integral part of these financial statements

Henderson County School District
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds
For the fiscal year ended June 30, 2012

	Food Service Fund	Child Care Fund	Adult Education Fund	Total
<u>OPERATING REVENUES:</u>				
Lunchroom sales	\$ 1,318,575	\$ -	\$ -	\$ 1,318,575
Other operating revenues	35,855	1,121,588	5,000	1,162,443
Total Operating Revenues	1,354,430	1,121,588	5,000	2,481,018
<u>OPERATING EXPENSES:</u>				
Salaries and wages	1,203,284	807,498	-	2,010,782
Materials and supplies	2,302,217	33,592	-	2,335,809
Depreciation	59,312	1,901	-	61,213
Other operating expenses	716,263	383,133	5,000	1,104,396
Total Operating Expenses	4,281,076	1,226,124	5,000	5,512,200
Operating Loss	(2,926,646)	(104,536)	-	(3,031,182)
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Federal grants	2,372,304	-	-	2,372,304
Donated commodities	232,771	-	-	232,771
State grants	37,585	-	-	37,585
Other state	239,776	160,547	-	400,323
Interest income	9,140	-	-	9,140
Total Non-Operating Revenues	2,891,576	160,547	-	3,052,123
Net Income (Loss) Before Other Financing Sources	(35,070)	56,011	-	20,941
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(169,337)	-	-	(169,337)
Total Other Financing Sources	(169,337)	-	-	(169,337)
Net Income (Loss)	(204,407)	56,011	-	(148,396)
Retained Earnings, June 30, 2011	2,101,130	264,114	320	2,365,564
Retained Earnings, June 30, 2012	\$ 1,896,723	\$ 320,125	\$ 320	\$ 2,217,168

The accompanying notes are an integral part of these financial statements

Henderson County School District
Statement of Cash Flows - Proprietary Funds
For the fiscal year ended June 30, 2012

	Food Service Fund	Child Care Fund	Adult Education Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash receipts from :				
Lunchroom sales	\$ 1,332,587	\$ -	\$ -	\$ 1,332,587
Other activities	35,855	1,121,588	5,000	1,162,443
Cash payments for:				
Employees	(1,213,432)	(820,733)	-	(2,034,165)
Supplies	(2,053,623)	(34,003)	-	(2,087,626)
Other operating expenses	(731,030)	(383,133)	(5,000)	(1,119,163)
Net Cash Provided By Operating Activities	(2,629,643)	(116,281)	-	\$ (2,745,924)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Purchases of capital assets	(65,640)	-	-	(65,640)
Net Cash Used By Capital And Related Financing Activities	(65,640)	-	-	(65,640)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>				
Operating transfers out	(169,337)	-	-	(169,337)
Cash received for operating grants	2,649,665	160,547	-	2,810,212
Net Cash Provided By Non-Capital Financing Activities	2,480,328	160,547	-	2,640,875
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Receipt of interest income	9,140	-	-	9,140
Net Cash Provided By Investing Activities	9,140	-	-	9,140
Net Increase (Decrease) In Cash And Cash Equivalents	(205,815)	44,266	-	(161,549)
Cash and Cash Equivalents, June 30, 2011	1,790,709	324,748	320	2,115,777
Cash and Cash Equivalents, June 30, 2012	\$ 1,584,894	\$ 369,014	\$ 320	\$ 1,954,228

The accompanying notes are an integral part of these financial statements

Henderson County School District
Statement of Cash Flows - Proprietary Funds, Continued
For the fiscal year ended June 30, 2012

	Food Service Fund	Child Care Fund	Adult Education Fund	Total
<u>RECONCILIATION OF OPERATING LOSS TO NET CASH USED</u>				
<u>IN OPERATING ACTIVITIES:</u>				
Operating income (loss)	\$ (2,926,646)	(104,536)	0	\$ (3,031,182)
<u>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH</u>				
<u>USED IN OPERATING ACTIVITIES:</u>				
Depreciation	59,312	1,901	-	61,213
Donated commodities	232,771	-	-	232,771
Changes in operating assets and liabilities				
Inventory	1,811	-	-	1,811
Accounts receivable	14,012	(3)	-	14,009
Accounts payable	6,150	(411)	-	5,739
Accrued expenses	(17,053)	(13,232)	-	(30,285)
Net Cash Provided (Used) In Operating Activities	\$ (2,629,643)	\$ (116,281)	\$ -	\$ (2,745,924)
<u>SCHEDULE OF NON-CASH FINANCING ACTIVITIES:</u>				
Donated commodities received from federal government	\$ 232,771	\$ -	\$ -	\$ 232,771

The accompanying notes are an integral part of these financial statements

Henderson County Board Of Education
Statement of Fiduciary Net Assets – Fiduciary Funds
June 30, 2012

	Agency Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 537,704
Accounts receivable	34,253
Total Assets	\$ 571,957
 <u>LIABILITIES</u>	
Accounts payable	\$ 15,423
Due to student groups	556,534
Net Liabilities	571,957
 Net Assets	 \$ -

The accompanying notes are an integral part of these financial statements

Henderson County Board Of Education
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds
June 30, 2012

	Agency Fund
Additions:	
Revenues from student activities	\$ 1,813,290
Deductions:	
Expenses paid for student activities	1,742,668
Changes in Net Assets	70,622
Net Assets, Beginning of Year	
Increase in Amount Due Student Groups	70,622
Net Assets, End of Year	\$ -

The accompanying notes are an integral part of these financial statements

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Henderson 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 Henderson 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 members.

The District, for financial purposes, includes all the funds and account groups relevant to the operation of the Henderson County Board of Education. The financial statements presented herein do not include funds of groups or organizations, which although associated with the school system, have not originated with 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:

Henderson County Board of Education Finance Corporation – In March, 1989, the Board of Education resolved to authorize the establishment of the Henderson 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) 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.

BASIS OF PRESENTATION

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.

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 government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of 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.

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statement – 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. Non-major funds are aggregated and presented in a single column.

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

The District has the following funds:

I) Government 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 of the District.
- B) The Special Revenue (Grant) Funds account for proceeds of specific revenue sources (other than expendable trust 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 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 the report on page 41. This is a major fund of the District.
- C) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).
 - 1) The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay Funds and is restricted for use in financing projects identified in the District's facility plan.
 - 2) The Facility Support Program of Kentucky (KSPK) accounts for funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan.
 - 3) The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction.

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- D) Debt Service Funds
The Debt Service Funds are used to account for the accumulation of resources for, the payment of, general long-term debt principal and interest and related costs; and for the payment of interest on general obligation notes payable, as required by Kentucky Law.

- II) Proprietary Fund Types (Enterprise Fund)
 - A) The Food Service Fund is used to account for school food service activities, including the National School Lunch Program which is conducted in cooperation with the U. S. Department of Agriculture (USDA). Amounts have been recorded for in-kind contributions of commodities from the USDA.
 - B) The Day Care Center Fund is used to account for all day care centers.
 - C) The Community Education Fund is used for adult education.
 - D) The District applies all GASB pronouncements to proprietary funds as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

- III) Fiduciary Fund Type (Agency and Private Purpose Trust Funds)
 - A) The Agency Fund accounts for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the Uniform Program of Accounting for School Activity Funds.

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.

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.

Non-exchange transaction, 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 expenditures requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from non-exchange transactions must also be available before it can be recognized.

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

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

The measurement focus of governmental funds 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 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 property tax rates assessed for the year ended June 30, 2012, to finance the General Fund operations were \$.517 per \$100 valuation for real property, \$.517 per \$100 valuation for business personal property and \$.548 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 furnishing, 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 costs) and updated for additions and retirements during the year. Donated fixed assets are reported 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.

**Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All 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>Depreciation</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and improvements	25 - 50 Years
Land improvements	20 Years
Technology equipment	5 Years
Vehicles	5 -10 Years
Audio-visual equipment	15 Years
Food service equipment	10 - 12 Years
Furniture and fixtures	7 Years
Rolling stock	15 Years
Other	10 Years

INTER-FUND BALANCES

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

ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon 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 assured 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.

BUDGETARY PROCESS

Budgetary Basis of Accounting: The District’s budgetary process accounts for certain transactions on a basis other than Generally Accepted Account 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).

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Per Board policy all amendments require Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end dictated by law.

Each budget is prepared and controlled by the finance officer at the revenue and expenditure function/objective level. All budget appropriations lapse at year-end.

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 expenditure in the governmental fund types when purchased.

The Food Service Fund uses the specific identification method.

PREPAID ASSETS

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

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

FUND BALANCES

In accordance with Governmental Accounting Standards No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”, the District classifies fund balances as follows:

Non-spendable- Includes fund balance amounts which are not in spendable form or because of legal or contractual requirements.

Restricted-Includes fund balance amounts that are constrained for a specific purpose which are externally imposed by providers, such as creditors, or due to constitutional provisions or enabling legislation.

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed- Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority.

Assigned- Includes fund balance amounts that are to be used for a specific purpose that are neither considered to be restricted or committed, but rather assigned by the Deputy Superintendent of Finance or the Superintendent.

Unassigned- Includes positive fund balances within the General Fund which has not been classified in any of the above mentioned categories and negative fund balances in other governmental funds.

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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

OPERATING REVENUES AND EXPENSES

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

INTER-FUND ACTIVITIES

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 inter-fund activities. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating 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.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of American 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.

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

At year-end, the carrying amount of the District's cash and cash equivalents was \$27,989,295. Of the total cash balance, \$250,000 was covered by Federal Depository insurance, with the remainder covered by collateral agreements and collateral held by the pledging banks' trust departments in the District's name. Cash equivalents are funds temporarily invested in securities with a maturity of 90 days or less.

Investments held by the District at June 30, 2012, consisted of certificates of deposit with a maturity of more than 90 days.

Cash and cash equivalents consisted of the following as of June 30, 2012:

<u>Financial Institution:</u>	
Independence Bank	\$ 27,451,591
Independence Bank-Activity Funds	<u>537,704</u>
Totals	<u><u>\$ 27,989,295</u></u>
 <u>Allocation per Financial Statements:</u>	
Governmental Funds	\$ 25,497,363
Business Type Funds	1,954,228
Agency Funds	<u>537,704</u>
Totals	<u><u>\$ 27,989,295</u></u>

Under Kentucky Revised Statutes Section 66.480, the District is authorized to invest in obligations of the United States and its agencies and instrumentalities, obligations and contracts backed by the full faith and credit of the United States or of its agencies, obligations or any corporation of the United States government, certificates of deposit, commercial paper rated in one of the three highest categories of nationally recognized rating agencies and shares in mutual funds.

Interest rate risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk: State law limits the types of investments in which the District may invest its funds. The District believes it is in compliance with the law in this matter and has no investment policy that would further limit its investment choices.

Concentration of credit risk: The District places no limit on the amount it may invest in any one investment.

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – CAPITAL ASSETS

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

<u>GOVERNMENTAL ACTIVITIES:</u>	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Land	\$ 989,487	\$ -	\$ -	\$ 989,487
Land improvements	3,409,668	-	-	3,409,668
Building and improvements	56,201,464	-	-	56,201,464
Technology improvements	4,738,795	496,307	(223,558)	5,011,544
Machinery and equipment	8,365,686	547,725	-	8,913,411
General equipment	1,861,413	19,219	(8,428)	1,872,204
Construction in progress	4,402,076	8,722,755	-	13,124,831
Totals at historical costs	79,968,589	9,786,006	(231,986)	89,522,609
Land improvements	(2,260,030)	(103,729)	-	(2,363,759)
Building and improvements	(34,685,244)	(1,747,594)	-	(36,432,838)
Technology improvements	(3,245,812)	(668,112)	218,220	(3,695,704)
Machinery and equipment	(6,526,494)	(367,593)	-	(6,894,087)
General equipment	(1,460,635)	(70,365)	8,193	(1,522,807)
Less: accumulated depreciation	(48,178,215)	(2,957,393)	226,413	(50,909,195)
Governmental activities, net	\$ 31,790,374	\$ 6,828,613	\$ (5,573)	\$ 38,613,414
<u>BUSINESS TYPE ACTIVITIES:</u>				
Buildings and improvements	\$ 47,516	\$ -	\$ -	\$ 47,516
Food service equipment	1,221,683	49,287	(6,804)	1,264,166
Technology equipment	179,360	18,427	(60,014)	137,773
Totals at historical costs	1,448,559	67,714	(66,818)	1,449,455
Buildings and improvements	(13,304)	(1,901)	-	(15,205)
Food service equipment	(1,045,619)	(16,063)	5,575	(1,056,107)
Technology equipment	(124,038)	(43,250)	58,345	(108,943)
Less: accumulated depreciation	(1,182,961)	(61,214)	63,920	(1,180,255)
Business type activities, net	\$ 265,598	\$ 6,500	\$ (2,898)	\$ 269,200

Depreciation expenses were not allocated to governmental functions. It appears on the statement of activities as “unallocated.”

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – BONDED DEBT AND LEASE OBLIGATIONS

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

Issue Date	Issue Name	Original Amount	Interest Rate	Maturity Date
2003	1993 Bend Gate Refinancing	\$ 2,225,000	1.80 - 3.35%	2013
2005	1995 Refinancing East Heights	1,830,000	2.45 - 3.73%	2015
1999B	Henderson County High - Phase I	4,335,000	5.00 - 5.40%	2019
2007	1999 Refinancing	4,095,000	3.50 - 3.75%	2019
2011	2011 School Bld. Refunding Bonds	3,609,600	1.00-3.00%	2021
2011	School Building Revenue Bonds, Series of 2011	1,810,000	1.00-5.00%	2021
2004	South Middle School	1,095,000	3.25 - 5.00%	2024
2004	Henderson County High School, Tennis Courts School Building Refund Revenue Bonds Series 2009-	1,790,000	1.50 - 4.40%	2024
2009	North Middle School and South Middle School School Building Refund Revenue Bonds BAB Series	4,505,000	2.00- 3.60%	2024
2011	2010	8,380,000	1.00-6.00%	2030

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 Henderson County Fiscal Court to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

In connection with the school revenue bonds the District entered into “participation agreements” with the School Facility 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 statement.

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming re 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:

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 5 – LONG-TERM LIABILITIES

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

Fiscal Year	Henderson County School District		Kentucky School Facility Construction Commission		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2012-13	\$ 1,420,027	\$ 707,901	\$ 414,976	\$ 171,062	\$ 1,835,003	\$ 878,963
2013-14	1,465,077	684,024	409,893	162,052	1,874,970	846,076
2014-15	1,358,649	655,046	381,351	153,880	1,740,000	808,926
2015-16	1,315,011	611,542	374,535	143,890	1,689,546	755,432
2016-17	1,284,606	571,773	385,394	133,366	1,670,000	705,139
2017-18	1,327,677	529,008	397,323	121,696	1,725,000	650,704
2018-19	1,372,870	482,682	342,130	108,820	1,715,000	591,502
2019-20	1,331,014	436,617	353,986	97,401	1,685,000	534,018
2020-21	877,965	400,546	367,062	84,734	1,245,027	485,280
2021-22	651,590	366,262	193,410	71,140	845,000	437,402
2022-23	677,607	338,086	202,393	62,434	880,000	400,520
2023-24	703,038	307,714	211,962	53,232	915,000	360,946
2024-25	604,091	271,682	90,909	43,444	695,000	315,126
2025-26	626,004	242,337	98,996	38,807	725,000	281,144
2026-27	644,608	209,369	100,392	33,737	745,000	243,106
2027-28	667,244	174,651	107,756	28,315	775,000	202,966
2028-29	694,463	139,692	110,537	22,458	805,000	162,150
2029-30	720,539	102,474	119,461	16,180	840,000	118,654
2030-31	742,732	80,838	97,268	12,346	840,000	93,184
2031-32	155,000	3,293	-	-	155,000	3,293
Totals	\$ 18,639,812	\$ 7,315,537	\$ 4,759,734	\$ 1,558,994	\$ 23,399,546	\$ 8,874,531

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2011	Due Within One Year
<u>Governmental Activities:</u>					
Long-term debt- School Building Revenue Bonds	\$ 23,369,546	1,810,000	(1,780,000)	\$ 23,399,546	\$ 1,835,003
<u>Compensated Absence:</u>					
Accrued Sick Leave	913,181	164,318	-	1,077,499	256,164
Total Long-Term Liabilities	\$ 24,282,727	\$ 1,974,318	\$ (1,780,000)	\$ 24,477,045	\$ 2,091,167

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 6 – ACCRUED SICK LEAVE

In accordance with generally accepted governmental accounting principles, the District has recorded accrued sick leave as a liability in the District-wide statement of net assets since the majority of these liabilities are not expected to be liquidated with expendable available financial resources. Accrued sick leave, which has no maximum accumulation, is payable upon retirement at 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 District's past experience of making termination payments.

Compensated absences are generally liquidated by the General Fund.

NOTE 7-FUND BALANCES

The following is a summary of fund balances for the fiscal year ended June 30, 2012:

	General Fund	Special Revenue	Construction Fund	FSPK Fund	SEEK Capital Outlay Fund	Totals
<u>NON-SPENDABLE:</u>						
Prepaid expenses	\$ 121,936	\$ -	\$ -	\$ -	\$ -	\$ 121,936
<u>COMMITTED:</u>						
Sick leave	112,547	-	-	-	-	112,547
<u>ASSIGNED:</u>						
State Revenue Shortfall	1,607,000	-	-	-	-	1,607,000
Future technology	429,000	-	-	-	-	429,000
Future bus purchases	643,000	-	-	-	-	643,000
Future HVAC repairs	643,000	-	-	-	-	643,000
Roof repairs	536,000	-	-	-	-	536,000
Preschool start up costs	1,072,000	-	-	-	-	1,072,000
Purchase obligations	343,885	-	-	-	-	343,885
Total Assigned	5,273,885	-	-	-	-	5,273,885
<u>RESTRICTED:</u>						
Special Programs	-	62,082	-	-	-	62,082
Sick leave payable	591,510	-	-	-	-	591,510
Construction	-	-	195,805	132,981	1,461,845	1,790,631
Total Restricted	591,510	62,082	195,805	132,981	1,461,845	2,444,223
Unassigned	16,663,414	(191,086)	-	-	-	16,472,328
Total Fund Balances	\$ 22,763,292	\$ (129,004)	\$ 195,805	\$ 132,981	\$ 1,461,845	\$ 24,424,919

**Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012**

NOTE 8 – RETIREMENT PLANS

Certified employees are covered under the Kentucky Teachers Retirement System (“KTRS”). Funding for the Plan is provided through payroll withholding of 10.355% for employees hired before July 2008 and 10.855% for employees hired after July 2008, and matching state contributions. The matching contributions are paid by the Federal programs for any salaries paid by that program. The board is required to match all non-federally funded employees at 0.50%.

Substantially all other employees (classified personnel) are covered under the County Employee’s Retirement System (“CERS”), a cost sharing, multiple-employer, public employers retirement system. Funding for the Plan is provided through payroll withholding of 5% for employees hired before September 2008 and 6% for employees hired after September 2008, and a Board contribution of 18.96% of the employee’s total compensation subject to contribution.

The Board’s total payroll for the year was \$41,488,207. The payroll for employees covered under KTRS was \$31,011,156 and for CERS was \$ 7,979,936.

The contribution requirement for CERS for the year ended June 30, 2012, was \$1,907,384 which consisted of \$ 1,512,997 from the Board and \$394,387 from the employees. Contributions for the years ended June 30, 2011, and June 30, 2010, were \$2,075,364 and \$2,047,513 respectively.

The contribution requirement for KTRS for the year ended June 30, 2012, was \$3,749,728 which consisted of \$514,119 from the Board and \$3,235,605 from the employees. Contributions for the years ended June 30, 2011 and June 30, 2010, were \$3,647,139 and \$3,452,104 respectively.

Benefits under both plans will vary based on final compensation, years of service and other factors as fully described in the Plan documents.

The “pension benefit obligation” is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the pensions’ funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among the plans and employers.

KTRS and CERS do not make separate measurements of assets and pension benefit obligation for individual employers.

Ten-year historical trend information showing KTRS’s and CERS’s progress in accumulating sufficient assets to pay benefits when due is presented in their June 30, 2012, comprehensive annual financial reports.

As the District is only one of several employers participating in the Plan, it is not practicable to determine the District’s portion of the unfunded past service cost or the vested benefits of the District’s portion of the Plan assets.

The District also offers employees the option to participate in a defined contribution plan under Section 403(b), and 457 of the Internal Revenue Code. All regular full-time and part-time employees are eligible to participate and may contribute up to the maximum amounts allowable by law. The District does not contribute to these plans.

Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012

NOTE 9 – CONTINGENCIES

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

In addition, the District operates in a heavily regulated environment. The operations of the District are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U. S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

NOTE 10– INSURANCE AND RELATED ACTIVITIES

The District is exposed to various forms of loss of assets associated with the risk 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 11– RISK MANAGEMENT

The District is exposed to various risks of loss related to injuries to employees. To obtain insurance of workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. The public entity risk pools operate as common risk management and insurance programs for all school district and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. Contributions to the Workers' Compensation fund are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term. The Liability Insurance Fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the members on a pro-rata basis.

The District purchases unemployment insurance through the Kentucky School Boards Insurance Trust Unemployment Compensation Funds; 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.

**Henderson County School District
Notes to the Basic Financial Statements
June 30, 2012**

NOTE 12 – COBRA

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

NOTE 13 – TRANSFER OF FUNDS

The following transfers were made during the year:

<u>From:</u>	<u>To:</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Special Revenue Fund	KETS matching payment	\$ 126,372
Child Nutrition Fund	General Fund	Indirect cost transfer	169,337
Capital Outlay Fund	Debt Service Fund	Debt service payments	<u>2,125,900</u>
		Totals	<u>\$ 2,421,609</u>

NOTE 14 – ON-BEHALF PAYMENTS

For the year ended June 30, 2012, total payments of \$10,498,621 were made for life insurance, health insurance, Kentucky Teachers Retirement System (“KTRS”) matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities and on the statement of revenues, expenditures and changes in fund balances. These revenues and expenditures are not budgeted by the District.

NOTE 15 – SUBSEQUENT EVENTS

In accordance with ASC 855, subsequent events were evaluated through September 10, 2012, the date these financial statements were issued. There were no subsequent events that required recognition or additional disclosure in these financial statements.

Henderson County School District
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget to Actual For the fiscal year ended June 30, 2012

	<u>BUDGETED AMOUNTS</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES:</u>				
From local sources				
Taxes				
Property	\$ 9,938,773	\$ 9,938,773	\$ 9,971,364	\$ 32,591
Motor vehicle and watercraft	1,527,774	1,527,774	1,904,927	377,153
Utilities	3,300,000	3,300,000	3,478,385	178,385
Unmined minerals	230,190	230,190	479,372	249,182
Franchise	226,073	226,073	584,498	358,425
Tuition and fees	32,500	32,500	73,778	41,278
Earnings on investments	200,000	200,000	156,800	(43,200)
Other local revenues	537,901	537,901	889,601	351,700
Intergovernmental - intermediate	68,000	68,000	110,476	42,476
Intergovernmental - state	25,893,147	25,893,147	36,748,456	10,855,309
Intergovernmental - indirect federal	75,000	75,000	141,573	66,573
Total Revenues	<u>42,029,358</u>	<u>42,029,358</u>	<u>54,539,230</u>	<u>12,509,872</u>
<u>EXPENDITURES:</u>				
Instruction	28,098,648	28,098,648	33,720,911	(5,622,263)
Support services:				
Student	2,255,786	2,255,786	2,677,945	(422,159)
Instruction staff	1,999,180	1,999,180	2,116,624	(117,444)
District administrative	999,841	999,841	886,810	113,031
School administrative	3,056,234	3,056,234	3,709,759	(653,525)
Business	1,437,588	1,437,588	1,593,803	(156,215)
Plant operation & maintenance	5,638,558	5,638,558	5,879,475	(240,917)
Student transportation	3,785,493	3,785,493	4,227,484	(441,991)
Facilities acquisition and construction	135,000	135,000	-	135,000
Contingency	12,052,150	12,052,150	11,035	12,041,115
Total Expenditures	<u>59,458,478</u>	<u>59,458,478</u>	<u>54,823,846</u>	<u>4,634,632</u>
Deficit of Revenues Over Expenditures	<u>(17,429,120)</u>	<u>(17,429,120)</u>	<u>(284,616)</u>	<u>17,144,504</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers in	169,337	169,337	169,337	-
Operating transfers out	(152,000)	(152,000)	(126,372)	25,628
Total Other Financing Sources	<u>17,337</u>	<u>17,337</u>	<u>42,965</u>	<u>25,628</u>
Deficit of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	<u>(17,411,783)</u>	<u>(17,411,783)</u>	<u>(241,651)</u>	<u>17,170,132</u>
Fund balance, June 30, 2011	<u>17,411,783</u>	<u>17,411,783</u>	<u>23,004,943</u>	<u>5,593,160</u>
Fund balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,763,292</u>	<u>\$ 22,763,292</u>

Henderson County School District
Combining Balance Sheet - Non-major Governmental Funds
As of June 30, 2012

	<u>Construction Fund</u>	<u>FSPK Fund</u>	<u>SEEK Capital Outlay Fund</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS AND RESOURCES:</u>					
Cash and cash equivalents	\$ 382,815	\$ 132,981	\$ 1,461,845	\$ 12,108	\$ 1,989,749
Accounts receivable					-
Taxes - current	-	-	-	-	-
Taxes - delinquent	-	-	-	-	-
Total Assets and Resources	<u>\$ 382,815</u>	<u>\$ 132,981</u>	<u>\$ 1,461,845</u>	<u>\$ 12,108</u>	<u>\$ 1,989,749</u>
<u>LIABILITIES:</u>					
Accounts payable	\$ 187,010	\$ -	\$ -	\$ 12,108	\$ 199,118
Accrued payroll and related expenses	-	-	-	-	-
Current portion of accumulated sick leave	-	-	-	-	-
Deferred income	-	-	-	-	-
Total Liabilities	<u>187,010</u>	<u>-</u>	<u>-</u>	<u>12,108</u>	<u>199,118</u>
<u>FUND BALANCES:</u>					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Restricted	82,474	132,981	1,461,845	-	1,677,300
Assigned	113,331	-	-	-	113,331
Unassigned	-	-	-	-	-
Total Fund Balances	<u>195,805</u>	<u>132,981</u>	<u>1,461,845</u>	<u>-</u>	<u>1,790,631</u>
Total Liabilities and Fund Balances	<u>\$ 382,815</u>	<u>\$ 132,981</u>	<u>\$ 1,461,845</u>	<u>\$ 12,108</u>	<u>\$ 1,989,749</u>

**HENDERSON COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012**

	<u>Construction Fund</u>	<u>FSPK Fund</u>	<u>SEEK Capital Outlay Fund</u>	<u>Debt Service Fund</u>	<u>Total Non-major Governmental Funds</u>
<u>REVENUES:</u>					
From local sources:					
Taxes:					
Property	\$ -	\$ 1,359,534	\$ -	\$ -	\$ 1,359,534
Earnings on investments	-	373	5,791	-	6,164
Intergovernmental - State	-	898,974	634,624	586,282	2,119,880
Insurance proceeds	-	-	-	-	-
Total Revenues	<u>\$ -</u>	<u>\$ 2,258,881</u>	<u>\$ 640,415</u>	<u>\$ 586,282</u>	<u>\$ 3,485,578</u>
<u>EXPENDITURES:</u>					
Facilities and construction	8,332,744	-	-	-	8,332,744
Debt service	-	-	-	2,712,182	2,712,182
Total Expenditures	<u>8,332,744</u>	<u>-</u>	<u>-</u>	<u>2,712,182</u>	<u>11,044,926</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(8,332,744)</u>	<u>2,258,881</u>	<u>640,415</u>	<u>(2,125,900)</u>	<u>(7,559,348)</u>
<u>OTHER FINANCING SOURCES (USES):</u>					
Operating transfers in	-	-	-	2,125,900	2,125,900
Operating transfers out	-	(2,125,900)	-	-	(2,125,900)
Bond proceeds	1,783,692	-	-	-	1,783,692
Total Other Financing Sources (Uses)	<u>1,783,692</u>	<u>(2,125,900)</u>	<u>-</u>	<u>2,125,900</u>	<u>1,783,692</u>
Excess (Deficit) of Revenues And Other Financing Sources Over Expenditures And Other Financing Sources (Uses)	(6,549,052)	132,981	640,415	-	(5,775,656)
Fund balance, June 30, 2011	<u>6,744,857</u>	<u>-</u>	<u>821,430</u>	<u>-</u>	<u>7,566,287</u>
Fund balance, June 30, 2012	<u>\$ 195,805</u>	<u>\$ 132,981</u>	<u>\$ 1,461,845</u>	<u>\$ -</u>	<u>\$ 1,790,631</u>

Henderson County Board Of Education
Statement of Receipts, Disbursements and Fund Balance – Henderson County High School - Activity Funds
June 30, 2012

	Balance July 1, 2011	Receipts For Year	Disbursements For Year	Cash Balance June 30, 2012	Accounts Receivable	Accounts Payable	Fund Balance June 30, 2012
ACCOUNTS:							
Henderson County High School:							
Art	\$ 211	\$ 135	\$ 225	\$ 121	\$ -	\$ -	\$ 121
Athletic	2,569	4,994	3,513	4,050	630	-	4,680
Athletic Booster Club	3,439	-	3,439	-	-	-	-
Archery Building Fund	23,521	62,050	72,391	13,180	-	-	13,180
Band	1,468	637	822	1,283	-	-	1,283
Bookstore	4,699	13,553	12,666	5,586	-	-	5,586
Clubs	156,609	789,149	745,540	200,218	4,090	-	204,308
General Fund	11,456	76,832	70,798	17,490	2,489	-	19,979
Industrial Technology	5,741	2,665	3,544	4,862	-	-	4,862
Media	63,109	38,830	39,461	62,478	-	-	62,478
Memorial Funds	5,189	2,000	3,750	3,439	-	-	3,439
Lunchroom Charges	61	1	62	-	-	-	-
School Concessions	6,554	29,454	27,393	8,615	-	-	8,615
Supplies	11,383	3,195	2,597	11,981	-	-	11,981
Speech and Drama	3,543	1,382	1,479	3,446	-	-	3,446
Student Council	926	-	-	926	-	-	926
Textbooks	3,940	76,650	61,315	19,275	25,115	15,423	28,967
Teachers Dual Credit Fund	331	-	-	331	-	-	331
Certificate of Deposit	12,342	-	1,040	11,302	-	-	11,302
Totals	\$ 317,091	\$ 1,101,527	\$ 1,050,035	\$ 368,583	\$ 32,324	\$ 15,423	\$ 385,484

Henderson County Board Of Education
Statement of Receipts, Disbursements and Fund Balance – Elementary and Middle Schools - Activity Funds
June 30, 2012

	<u>Cash Balance</u> <u>July 1, 2011</u>	<u>Receipts</u> <u>For Year</u>	<u>Disbursements</u> <u>For Year</u>	<u>Cash Balance</u> <u>June 30, 2012</u>	<u>Accounts</u> <u>Receivable</u>	<u>Accounts</u> <u>Payable</u>	<u>Fund Balance</u> <u>June 30, 2012</u>
<u>SCHOOL ACTIVITY FUNDS:</u>							
Bend Gate Elementary	\$ 20,417	\$ 30,778	\$ 32,153	\$ 19,042	-	-	\$ 19,042
Cairo Elementary	15,511	19,548	20,871	14,188	-	-	14,188
Central Learning Center	884	17,946	15,051	3,779	-	-	3,779
Chandler Elementary	5,566	58,076	51,478	12,164	-	-	12,164
East Heights Elementary	12,001	65,955	65,689	12,267	-	-	12,267
Jefferson Elementary	16,920	27,004	26,253	17,671	-	-	17,671
Niagara Elementary	9,419	33,587	30,695	12,311	-	-	12,311
South Heights Elementary	11,647	54,442	59,006	7,083	-	-	7,083
Spottsville Elementary	6,079	31,950	31,654	6,375	-	-	6,375
North Middle School	57,143	122,689	128,928	50,904	-	-	50,904
South Middle School	13,234	215,535	215,432	13,337	1,929	-	15,266
Totals	\$ 168,821	\$ 677,510	\$ 677,210	\$ 169,121	\$ 1,929	\$ -	\$ 171,050

